

FBIS

DAILY REPORT

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RADIATION SYMPOSIUM OPENS IN BEIJING

OW261214 Beijing XINHUA in English 1133 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- Over 120 specialists and scholars from eight countries, as well as representatives from the World Meteorological Organization, gathered here today to discuss changes in solar radiation and their effects on the world climate.

The radiation symposium, co-sponsored by the Chinese Meteorological Society and the American Meteorological Society, has received 70 academic papers from Australia, Canada, Federal Germany, France, Italy, Japan, the United States and China. These papers cover global radiation, radiation on the Qinghai-Tibet Plateau, remote sensing of the atmosphere, aerosol, trace gases, atmospheric chemistry, cloud and radiation, and radiation instruments.

An official from the Chinese Meteorological Society told XINHUA that since the founding of New China, Chinese meteorologists have started radiation observations, and set up an observation network throughout the country.

In the summer of 1979, meteorologists from the State Meteorological Administration and the Chinese Academy of Sciences jointly carried out experiments on the Qinghai-Tibet Plateau, set up six more radiation observation stations there, and for the first time made an atlas of the radiation and heat balance on the plateau.

The official said Chinese and American meteorologists had jointly carried out surface boundary layer measurements on the plateau in June and July this year, and set up observation stations in Lhasa and Nagqu.

The research work is still going on, he added.

He said most of the scientists held that radiation changes on the earth and the atmosphere around it are the major physical factors affecting the climatic changes worldwide.

XINHUA REVIEWS AIMS OF NONALIGNED MOVEMENT

OW271101 Beijing XINHUA in English 1004 GMT 27 Aug 86

["Interpretative report: The Non-Aligned Movement -- 25 Years of Fruitful Working for Independence, Peace and Development (by Chen Shengtao and Chen Hegao)" -- XINHUA headline]

[Text] Harare, August 26 (XINHUA) -- For the non-aligned nations upcoming September 1 is a red letter day of double happiness, when they will hold their 8th conference of heads of state or government and at the same time celebrate the 25th anniversary of their movement, here in the capital of Zimbabwe.

Once again leaders of the great majority of developing countries will meet to make an overall review of the world situation and to address a wide range of major and pressing problems facing mankind today. Organizationally, some more countries will be admitted into the movement.

As thousands of delegates from the movement's 101 member countries and organizations are converging on Harare, people are glad to see the fast expansion of the movement's ranks and the growth of its role in world affairs.

The Non-Alignment movement [NAM] was first conceived by the late Yugoslav President Broz Tito in the mid-1950's as an independent, global and equitable alternative to bloc policies and bloc rivalries and as a concerted force working for a new world order based on national independence, equality, justice, peaceful coexistence and cooperation among all states. When the first NAM summit conference convened in Belgrade on September 1, 1961, it was attended by leaders from 25 countries, at a time when most of the world nations were still struggling under colonial rule, crumbling as it was as a system, and when the United Nations had only 61 members.

With non-alignment as the cornerstone, the movement campaigns, in a nutshell, for complete independence, durable peace and development for all. The movement in its action has followed a set of established principles which have stood the test of time. No matter whether it was in the phase of cold war, in the period of detente, or in the current stage of confrontation and dialogue, the movement has always upheld non-bloc, anti-bloc policy as its quintessence, as the cohesive force for its unity, and as the source of stamina for advancing the interests of its objectives. Moreover, by insisting on this policy, NAM on the whole has been able to assume self-determined positions with respect to international issues.

With so many countries committed to non-alignment and organized into a force active on the international scene, and with the existing blocs weakened in a certain measure, the post-war bi-polarity in world politics and the hegemonic pursuits of the superpowers have never been so seriously challenged.

The Non-Aligned Movement has always been a clarion for support for the peoples fighting for national liberation from under colonial rule and for struggles against imperialism, colonialism, neo-colonialism, racism, Zionism, and all forms of foreign aggression, occupation, domination, interference or hegemony. It upholds the right of all peoples to complete independence -- political, economic, social, cultural -- and their right to self-determination in every aspect of life. As a latest example, the last NAM summit, held in New Delhi in 1983, called for the withdrawal of foreign troops from Afghanistan and Kampuchea.

Since the third summit held in Lusaka in 1970, economic problems have become one of the movement's preoccupations, in echo to the aggravation of international economic relations and the consequent widening of the gap between the developing and developed countries.

Amidst a growing awareness that political independence without economic well-being means little and that no substantive stability in the world is possible without the solution to outstanding economic problems, the non-aligned nations, at their fourth summit held in 1973, proceeded to formulate another major objective of the movement: Economic emancipation through the establishment of a new world economic order based on justice and equality.

This interest has manifested itself strongly almost at every international conference concerning economic matters attended by developing countries, gaining momentum of increasing proportions.

In recent years, NAM complaints and claims have focussed on the ills behind the immediate economic woes of the developing world -- worsening terms of trade, mounting debt burdens, hardening conditions attached to aid, etc.

While addressing demands to the developed countries, the movement, out of its collective self-reliance strategy, has also made progress in South-South cooperation in various fields.

Through their positive activities and initiatives, which cover the whole spectrum of human life and which range from appeals for the peaceful use of outer space to the equitable utilization of sea-bed resources as the "common heritage of the mankind", the non-aligned countries have made themselves a force to be reckoned with worldwide.

Thanks to NAM, above all, for the first time the long-cherished human desire for independence, peace and development has translated into a strong determination, a loud voice and a resolute action.

In the United Nations, the presence of NAM has greatly helped free it from the grip of the superpowers and the military blocs they have organized, propelling it towards a platform for the great majority of nations and people to voice their ideas and wishes.

It was no accident at all that the U.N. General Assembly has called two special sessions on disarmament as proposed by NAM and that the 6th U.N. General Assembly session adopted the principles of the new international economic order.

For many years after the Second World War, mankind has been at a crossroad, with many being at a loss as to what road one had to choose in the days ahead. But today, after so many happenings that have taken place with them, both positive and negative, after following the footprints of NAM from Belgrade to Harare, people have become much more sure about what to do to have a safer and better world.

I. 28 Aug 86

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

PRC VICE MINISTER CRITICIZES JAPANESE GROUP

OW281145 Tokyo KYODO in English 0918 GMT 28 Aug 86

[Text] Beijing, Aug. 28 KYODO -- China Thursday slammed a private project in Japan to honor the late Chinese Nationalist leader Chiang Kai-shek as harming bilateral relations.

In a meeting with Japanese reporters, Vice Foreign Minister Qi Huaiyuan said he was aware that a private organization headed by former Lower House speaker Hirokichi Nadao was making a move to honor Chiang.

"This amounts to creating two Chinas and it will hurt the feelings of the Chinese people," he said.

He said he wished those people in Japan who are for Sino-Japanese friendship would not be involved in the project.

Touching on other issues, Qi said China is not worried at all about military cooperation between the Soviet Union and North Korea.

China does not think such cooperation would alter the military balance in the Korean peninsula, he said.

Qi also reiterated China's support for North Korea's policy of seeking peaceful unification with the South.

"(North) Korean leaders have repeatedly said they have no intention of launching a military attack on the South, nor do they have the capability to do so," Qi said.

GU MU HOSTS BANQUET TO HONOR JAPANESE SCHOLARS

OW261536 Beijing XINHUA in English 1522 GMT 26 Aug 86

[Text] Urumqi, August 26 (XINHUA) -- State Councillor Gu Mu gave a banquet here tonight in honor of Japanese experts who are here for the sixth annual meeting of the China-Japan Society for Exchange of Economic Information.

More than 40 Chinese and Japanese economists and scholars are attending the seven-day meeting, which opened in Urumqi, capital of the Xinjiang Uygur Autonomous Region, yesterday. Minority-nationality problems are also on the agenda.

Since its establishment in 1980, the society has conducted in-depth research into Sino-Japanese economic questions, technological cooperation, China's structural reform and new technological revolution, and the Japanese economy.

XINHUA ON HONG KONG ECONOMIC GROWTH REPORT

OW271916 Beijing XINHUA in English 1441 GMT 27 Aug 86

[Text] Hong Kong, August 27 (XINHUA) -- Hong Kong's economic growth in the first half of this year was export-led, with domestic exports providing the main impetus to growth, according to the half-yearly economic report published Tuesday by the Hong Kong authorities.

The recovery in domestic exports has gathered momentum since March and growth rate reached about 14 percent in the second quarter. For the first half as a whole, domestic exports grew by an estimated eight percent in real terms compared with the same previous period.

The report notes that Hong Kong's domestic exports to all major markets, apart from the Chinese mainland, grew in the first half. The depreciation of the U.S. dollar, and hence of the Hong Kong dollar due to the linked exchange rate system, against most major currencies has enhanced the competitiveness of Hong Kong's exports and was probably the main factor behind the recovery in domestic exports.

The report observes that manufacturing activity continued to expand in the second quarter, as evidenced by the figures for domestic exports, the order-book positions of a selection of large manufacturers, retained imports of raw materials and semi-manufactured goods, and the quantity of electricity consumed by the industrial sector.

However, investment demand was weak, as indicated by the decline of about five percent in real terms in retained imports of capital goods.

After a strong recovery in 1985, the property market seems to have entered a consolidation period. As regards building plans, envisaged developments of all major types of property increased in the first half of 1986 compared with the same period last year.

The rate of inflation also dropped as low as 2.5 percent in the second quarter of the year. The unemployment rate stayed at three percent.

CPC GROUP LEAVES FOR NEW ZEALAND, AUSTRALIA

OW271317 Beijing XINHUA in English 1215 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A Chinese Communist Party (CPC) delegation led by Hao Jianxiu, member of the Secretariat of the CPC Central Committee, left here today for New Zealand to attend an annual meeting marking the 70th anniversary of the founding of the country's labor party at the invitation of the party.

After its visit to New Zealand, the delegation will pay a goodwill visit to Australia at the invitation of Australian Government and Labor Party.

Seeing the delegation off at the airport was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

ZHAO ZIYANG MEETS BELGIUM'S PRINCE PHILIPPE

OW271508 Beijing XINHUA in English 1430 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Premier Zhao Ziyang met His Highness Prince Philippe of Belgium at Zhongnanhai here today.

Zhao expressed a warm welcome to the prince, adding that he belived the prince's current visit would surely promote the friendly relations between the two countries.

Zhao held that relations in every field between China and Belgium have developed satisfactorily. He praised Belgium's King Baudouin and the royal family for their vital contributions to the expansion of relations.

Reviewing the meetings between himself and King Baudouin in 1981 and 1984, Zhao said he was deeply impressed. He asked the prince to convey the best regards of President Li Xiannian and himself to the king.

The prince told Zhao that his visit to China has made it possible for him to get an all-round understanding of China, including its history, hard-working people and the development of its special economic zones.

The prince arrived here August 3 for a month-long informal visit as a guest of the Chinese Government. Belgian ambassador to China Jan Hollants van Loocke also was present at the meeting.

Wu Xueqian Hosts Banquet

OW271515 Beijing XINHUA in English 1437 GMT 27 Aug 86

[Text] Beijing, August 27 (XINUUA) -- State Councillor and Foreign Minister Wu Xueqian met and gave a banquet here tonight in honor of His Highness Prince Philippe of Belgium and his party.

In his toast, Wu said, as countries sharing friendship, China and Belgium share similar views on a series of major international issues. In recent years, he said, the good cooperative relations in political and economic fields between the two countries have witnessed a satisfactory development. This is partly attributable to the Belgian royal family's efforts, he added.

The prince's current visit will help him deepen his understanding of China's on-going structural reform and modernization program, and help him appreciate the profound feelings of the Chinese people for the Belgian people, Wu said.

Prince Philippe thanked the Chinese side for the warm hospitality accorded him during his tour. The visit demonstrated that contacts between people can deepen mutual understanding, he said.

He said his contacts with the Chinese workers, peasants and intellectuals, and his visits to rural areas, enterprises and cities, have made him more confident of the further expansion of the existing harmonious relations between China and Belgium.

XINHUA NOTES ADN ITEM ON HONECKER VISIT

OW271919 Beijing XINHUA in English 1520 GMT 27 Aug 86

[Text] Berlin, August 27 (XINHUA) -- Democratic German leader Erich Honecker will pay "an official friendly visit" to China in the second half of October, the ADN NEWS AGENCY announced today. Honecker, general secretary of the German Socialist Unity Party and chairman of the Council of State, will visit China at the invitation of Hu Yaobang, general secretary of the Communist Party of China, and Chinese President Li Xiannian, ADN said.

The 74-year-old Honecker's visit to Beijing will be the first of its kind in more than two decades. Meanwhile, the agency announced that Honecker will also pay official and friendly visits to the Democratic People's Republic of Korea and Mongolia later in October.

WU XUEQIAN MEETS POLISH VICE FOREIGN MINISTER

OW261026 Beijing XINHUA in English 0931 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian met Polish Vice-Foreign Minister Jan Majewski here today. They exchanged views on the further development of the bilateral relations. Jan Majewski arrived in Beijing on August 24 at the invitation of Chinese Vice-Foreign Minister Qian Qichen.

PENG ZHEN MEETS, FETES ROMANIAN PARLIAMENTARIANS

OW260939 Beijing XINHUA in English 0811 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- Peng Zhen, chairman of the Standing Committee of China's National People's Congress (NPC), expressed his hope here today to further develop and strengthen the friendly relations and cooperation between China and Romania in an all-round way. Peng made the remarks at a meeting with a delegation from the Romanian Grand National Assembly led by its chairman, Nicolae Giosan.

Peng said the relations between the two parties, the two countries and peoples have been very good. China and Romania share common or similar views on many major international issues, and Romania plays an active role in the international affairs, especially on the question of safeguarding world peace.

He pointed out that at present, there still exists the danger of war, but the forces for safeguarding peace and checking war are growing very fast. People all over the world want no war and it is possible to prevent a new war.

Giosan gave an account of Romania's economic construction. He said that his delegation's current visit has testified to the good relationship between the two countries and parliaments. He said he hoped to contribute to making such relations stronger.

After the meeting, Peng gave a luncheon in honor of the delegation. Present on the occasion were Geng Biao, vice-chairman of the NPC Standing Committee. This morning, Geng Biao and Giosan held talks to exchange views on strengthening bilateral cooperation in various fields.

RENMIN RIBAO ON HUNGARY'S POLITICAL RESTRUCTURING

HK261028 Beijing RENMIN RIBAO in Chinese 22 Aug 86 p 7

[Article by Yi Han: "Advancing in the course of Reform -- Hungary's Political Restructuring" -- capitalized passages published in boldface]

[Text] Hungary, which started reform of the economic structure earlier than other East European nations, has achieved major successes in this aspect. At the same time, its political restructuring is also making good progress.

The reform practice in Hungary has proved that REFORM OF THE ECONOMIC STRUCTURE INEVITABLY STIMULATES REFORM OF THE POLITICAL STRUCTURE. B.T. Ivan, president of Hungary's Academy of Sciences, pointed out not long ago: "In Hungary, reform of the economic structure was, is, and will be closely linked with the reform of the political structure." Reform of the economic managerial system in Hungary was gradually carried out on the basis of a well-conceived plan. Along with the development of reform in the agricultural, industrial, and commercial spheres, mandatory plans were discarded, decision-making powers of enterprises were extended, and the role of the market economy was brought into full play. This brought about a new political situation in the country. Under such circumstances, it was naturally impossible to maintain the previous highly-centralized political structure. Some reform measures in economic management such as direct election of factory directors were also political reform measures. The facts have demonstrated that reform of the political structure is the guarantee of reform of the economic structure and is necessary to the development of production and construction.

In Hungary, the main goal and points of political restructuring is to strengthen socialist democracy and the legal system; to reform the cadre and election systems; to delegate more powers and functions to the local authorities, enterprises, and social organizations; to bring the initiative of all quarters into full play; and to help the people become the masters of their country so as to create a situation in which people throughout the country work as one to expedite socialist construction.

IMPROVING THE PARTY'S CADRE POLICY AND INSTILLING MORE DEMOCRACY INTO CADRE WORK ARE THE KEY LINKS IN HUNGARY'S REFORM OF THE POLITICAL STRUCTURE. In March this year, the Hungarian Communist Party Central Committee adopted a resolution on cadre work, reaffirming the institution of the tenure-of office system among leading cadres. The system stipulates that leading cadres at various levels from the central to local authorities should not work at a post for more than two terms of office (10 years), with the exception of some individual cadres approved by the party Central Committee. The resolution stresses that leading cadres must comply with the requirements in three aspects -- in other words, they must be politically and professionally qualified and have leadership and organizational ability. In selecting and promoting cadres, opinions must be solicited from the general public. Meanwhile, since the beginning of the 1980's, cadres in various spheres in Hungary have been largely employed by means of engagement. This measure serves to promote cadres on a more reasonable basis and put an end to the system of lifelong service of leading cadres.

Hungary attaches great importance to GETTING RID OF BUREAUCRACY, BUILDING CLOSER RELATIONS BETWEEN THE PARTY AND THE PEOPLE, AND PREVENTING CADRES FROM SEEKING PERSONAL PRIVILEGES. Leaders of the Hungarian Communist Party Central Committee strongly advocate leading a thrifty and simple life and maintaining close ties with the people. Principal leading cadres working in different party and government departments and different localities are required to change in rotation and work of leaders at various levels should be periodically appraised. The Hungarian Communist Party and Government also call for leadership organs not to recruit children of their cadres and close relatives are not allowed to work at the same office. These measures have played an important role in preventing cadres from seeking personal privileges and from knitting a web of relationships among themselves.

THE INSTITUTION OF THE SYSTEM OF NOMINATING MORE CANDIDATES THAN DEPUTIES TO BE ELECTED IS ANOTHER IMPORTANT MEASURE TAKEN FOR POLITICAL RESTRUCTURING. In the past election of deputies to the National Assembly of Hungary, every electoral district had only one candidate nominated by the higher authorities; the constituency had no choice. In December 1983, the National Assembly of Hungary proclaimed a new electoral law, replacing the method of nominating candidates equal to the number of deputies to be elected by the method of nominating more candidates than deputies to be elected and stipulating that there must be more than two candidates for each deputy. In the light of the new electoral law, in June 1985, Hungary proposed a nationwide election of deputies to the National Assembly and local assemblies. The election was vigorously supported by the people and yielded good results. This is of great significance to further developing and improving socialist democracy.

SEPARATE PARTY FROM GOVERNMENT FUNCTIONS, SEPARATE GOVERNMENT FROM ENTERPRISE FUNCTIONS, AND DELEGATE MORE POWERS TO LOCALITIES, ENTERPRISES, AND SOCIAL ORGANIZATIONS SO AS TO GRADUALLY CHANGE THE SITUATION IN WHICH THE FUNCTIONS OF THE PARTY AND GOVERNMENT ARE MINGLED WITH EACH OTHER, AND HIGH CENTRALIZATION. There are the main points that Hungary has been looking into and practicing in reform of its political structure. Hungarian leaders and scholars have pointed out: To develop democracy, it is necessary to change the situation in which the party Central Committee takes on everything. Under the leadership of the party, government offices, local assemblies, economic units, and social organizations each should have a role to play and should be put in a proper place so as to gradually establish a system of leadership that separates the functions of the party and government. Party leaders at various levels, including the general secretary of the Hungarian Communist Party Central Committee, are now trying their best not to hold concurrently primary administrative posts. Now in Hungary, party resolutions have no binding force on nonparty organizations and party organizations are not allowed to interfere in nonparty organizations by simple administrative means. The functions of government and economic organizations should not be replaced by those of the party. Of course, this does not mean that party leadership is weakened. Party leadership mainly finds expression in mapping out major policies, strengthening political work, and educating party members to play an exemplary role in work so as to ensure the realization of the party's program.

"Socialism can be built only in the long course of reform." This is the main point that Hungary has come to realize in its long practice of reform. It is believed that Hungary's current political structure still cannot meet the needs of its economic development and the reform must be carried out in depth. This completely accords with the tenets of Marxism. In 1847, Marx pointed out: Socialism is not a thing that has been prepared beforehand, it must develop in practice step by step. It is predicted that Hungary's socialist course will certainly make progress continuously in the course of reform.

RENMIN RIBAO CONDEMNS SOUTH AFRICAN AUTHORITIES

HK260938 Beijing RENMIN RIBAO in Chinese 23 Aug 86 p 6

["International Jottings" by Ru Sheng: "A Tiger With a Necklace of Beads"]

[Text] According to an AFP report, South African Finance Minister De Plessis announced on 20 August that the South African authorities will allocate \$1.2 million to aid the families of those arrested under the state of emergency. This is really an expression of false kindness, just like a "tiger wearing a necklace of beads!"

Anybody knows that it is a result of the apartheid policy and the suppressive measures adopted by the South African authorities that thousands upon thousands of South African families have been thrown into misery and distress. Since the emergency act was put into effect in June this year, the South African authorities have arrested or killed large numbers of black people, creating innumerable bloodstained tragedies. No wonder some people have likened today's South Africa to a "big jail." Nobody can ever believe that the South African authorities, which are pursuing the policy of apartheid, can be kind to the families of the "prisoners."

Just as expected, fraud was soon exposed by itself. The same minister of finance, who had just announced the allocation of funds to "aid" the families of the victims, soon decided to add \$7 million to police funds in order to strengthen the control and suppression of black people and in order to arrest or kill more people and make more families suffer. This shows that a tiger is still a tiger even when it wears a necklace of beads.

IRANIAN OIL MINISTER ARRIVES IN BEIJING

OW280640 Beijing XINHUA in English 0626 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Iranian Minister of Oil Gholam Reza Aqazadeh arrived here this morning for a visit to China.

He was greeted at the airport by Chinese Minister of Petroleum Industry Wang Tao.

ZHAO ZIYANG RECEIVES LESOTHO AMBASSADOR

OW271206 Beijing XINHUA in English 1151 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Chinese Premier Zhao Ziyang met with Chaka Ntsane, the first ambassador of the Kingdom of Lesotho to China, here today.

I. 28 Aug 86

C H I N A
PRC NATIONAL AFFAIRS

K 1

NPC STANDING COMMITTEE OPENS 17TH SESSION

OW271156 Beijing XINHUA in English 1125 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- The 17th Session of the Sixth National People's Congress Standing Committee opened here today at the Great Hall of the People.

Delegates heard reports on "Regulations Governing Offences Against Public Order (Revised Draft)," the "Regulations on Diplomatic Privileges and Immunities (Draft)," and the "Border Quarantine Law (Draft)."

In addition, the "Enterprise Bankruptcy Law (Draft)," and the "Law and Post and Communications (Draft)," were heard.

Consular conventions with Hungary and Democratic Germany were submitted for approval at the session.

The session will also discuss changes in the re-election time of the local congresses. According to laws on the local people's congresses and governments, the people's congresses at county and township levels should re-elected before 1987.

During the ten-day session, Zhao Dongwan, minister of labor and personnel, will give a report on the labor system reform.

Peng Zhen Presides

OW272200 Beijing XINHUA Domestic Service in Chinese 1205 GMT 27 Aug 86

[Text] Beijing, 27 Aug (XINHUA) -- The 17th Session of the 6th National People's Congress Standing Committee began at the Great Hall of the People this afternoon. Chairman Peng Zhen presided over this afternoon's plenary session.

Wang Hanbin, secretary general of the NPC Standing Committee, explained the session's draft agenda at the beginning of the meeting; the Standing Committee members adopted the draft agenda. According to the agenda, the 17th session will examine and discuss "Regulations of the People's Republic of China Governing Offenses Against Public Order (Revised Draft)," "Regulations of the People's Republic of China on Diplomatic Privileges and Immunities (Draft)," and "The Enterprise Bankruptcy Law of the People's Republic of China (Draft)." The session will hear explanations of "The Border Quarantine Law of the People's Republic of China (Draft)" and "The Law on Posts and Communications of the People's Republic of China (Draft)." The session will also examine and discuss a "Decision of the NPC Standing Committee on the Reelection Date for County and Township People's Congresses (Draft)" and some overseas visits.

The revised draft of the "Regulations of the People's Republic of China Governing Offenses Against Public Order" has been examined and discussed by several previous Standing Committee sessions and further revised by the departments concerned in accordance with the Standing Committee members' opinions. Xiang Chunyi, vice chairman of the NPC Law Committee, today explained the further revision.

At the meeting, Vice Chairman Xiang Chunyi and Song Rufen, vice chairman of the NPC Law Committee [as received], reported respectively on the results of the NPC Law Committee's examination of the draft "Regulations on Diplomatic Privileges and Immunities", and the draft "Enterprise Bankruptcy Law."

Premier Zhao Ziyang submitted to the NPC Standing Committee session State Council proposals requesting the session deliberate over "The Border Quarantine Law of the People's Republic of China (Draft)" and "The Law on Posts and Communications of the People's Republic of China (Draft)." Entrusted by the State Council, Vice Minister of Public Health He Jiesheng and Minister of Posts and Telecommunications Yang Taifang explained the two draft laws respectively.

Premier Zhao Ziyang also submitted State Council proposals to the Standing Committee session requesting it deliberate over "The Consular Treaty Between the People's Republic of China and the Hungarian People's Republic" and "The Consular Treaty Between the People's Republic of China and the German Democratic Republic." Vice Foreign Minister Qian Qichen, entrusted by the State Council, explained the conclusion of the two treaties and their main points.

Vice Chairman Chen Pixian, Geng Biao, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aze, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, and Huang Hua attended the meeting. State Councillor Wang Bingqian, President of the Supreme People's Court Zheng Tianxiang, and Procurator General of the Supreme People's Procuratorate Yang Yichen attended the meeting as nonvoting delegates.

Discussion on Diplomatic Privilege

OW271248 Beijing XINHUA in English 1226 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Diplomatic representatives of foreign countries must get permission from the Chinese Government and go through necessary procedures if they ship into China guns and ammunition for their own use. This is stipulated in China's revised draft of the regulations on diplomatic privileges and immunities submitted to the ongoing 17th Session of the National People's Congress (NPC) Standing Committee which opened here today.

Speaking of the results of the deliberation and revision of the draft, Vice-Chairman of the NPC Law Committee Xiang Chunyi, said diplomatic representatives must not use their embassies or residences of embassy staff for purposes not in conformity with their posts in the embassy.

Making clear the relations between the Chinese regulations and the Vienna Convention on Diplomatic Regulations, he said the revised draft stipulated that if the international conventions which China has concluded or joined have specific regulations, these regulations will be followed, with the exception of the provisions on which China has made reservations. The revised draft also stipulates that embassy personnel have freedom of movement and travel except in areas where the Chinese Government has prohibited or restricted their entry. According to the regulations diplomatic representatives will not enjoy immunity from taxation on private income earned within Chinese territory.

Bankruptcy Legislation Amended

HK280810 Hong Kong AFP in English 0737 GMT 28 Aug 86

[By Bernard Degioanni]

[Text] Beijing, Aug 28 (AFP) -- The National People's Congress, China's parliament, has amended an unprecedented bill covering bankruptcies so that only state-owned companies can go under, Chinese newspapers said Thursday.

The legislation, in the works for more than a year, is to be adopted during the current 17th session of the congress, observers say. Foreign experts said Wednesday's amendment under which only state companies could be declared bankrupt represents "a retreat by comparison to initial plans."

The bill comes on the heels of Communist China's first bankruptcy, declared August 3 by a company in the northeastern city of Shenyang on the basis of "regulations" being tested in four cities. The test rules call for all Chinese companies -- both state-run and collectives -- to submit a balance sheet if their deficits exceed 80 per cent of fixed assets.

Chinese press reports said this percentage would be modified in the legislation, although they did not specify by how much. "A large number of enterprises in China were short of liquid capital and were heavily dependent on bank loans," said Song Rufen, vice chairman of the NPC's Legislative Affairs Commission, explaining the change in the percentage.

Foreign experts say the decision to limit application of the bankruptcy law to state companies was promoted by the high number of collective enterprises whose deficits exceeded 80 per cent of fixed assets. Collective enterprises, like the firm that failed in Shenyang, are owned either by local authorities or by work units. According to official statistics more than 20 per cent of Chinese companies are now operating in the red, although foreign experts estimate the percentage is much higher.

The legislation now before the National People's Congress also stipulates that Sino-foreign joint ventures and wholly foreign-owned companies will not be affected by the bankruptcy law. Foreign experts say this step is necessary in order not to upset investors or foreign partners who have encountered several cash-flow problems in existing joint-venture undertakings.

Official statistics show that foreign investment in China dropped 20 per cent in the first six months of this year compared with the same period last year. Western experts say the changes to the legislation signal that the Shenyang bankruptcy was both a political decision and a necessary evil for the Chinese economy.

"It serves to prove to foreign partners in China that in the context of ongoing economic reforms, the Chinese state may refuse to be the eternal source of funds for badly managed companies," added a Western expert.

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But many diplomats think this "retreat" also signifies that many Chinese officials are hostile to the rigorous application of a law that implies laying off workers.

Mr. Song had been quoted in the Chinese news media as saying the amendments concerned "controversial points" of the legislation. China's current policy of linking salaries to production is still meeting with stiff resistance.

Several managers, who are also senior members of the communist party, resent the arrival of young technocrats whose work methods show up their inability to manage an enterprise, experts say.

According to a survey released Wednesday, nearly 93 per cent of Chinese believe that ongoing economic reforms are essential for the country, while 71.8 per cent of workers favor lay-offs if a company has more employees than it needs.

New Border Quarantine Law

OW271447 Beijing XINHUA in English 1419 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A draft border quarantine law was submitted for deliberation today to the 17th Meeting of the Chinese National People's Congress (NPC) Standing Committee, which opened here this afternoon. The new law is to replace state quarantine regulations issued at the end of 1957.

With the development of science, technology and preventative medicine, the change of situation regarding diseases both at home and abroad and the increase of China's contacts with other countries and areas, China's quarantine regulations have become obsolete, according to Vice-minister of Public Health He Jiesheng, who made an explanation of the draft at today's meeting.

China formally recognized the international health regulations in 1979. Under the new border quarantine law, which is divided into six chapters containing 27 articles, all people and transport entering or leaving China shall be subjected to quarantine inspection for bubonic plague, cholera and yellow fever.

Certain other infectious diseases specified by the Ministry of Public Health will be watched for at border posts, the new law says.

New Postal Service Law

OW271439 Beijing XINHUA in English 1330 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A draft law on the postal service was submitted today to the Standing Committee of China's National People's Congress (NPC) for deliberation. Yang Taifang, minister of posts and telecommunications, explained the draft to the 17th Meeting of the NPC Standing Committee, which opened here today.

Consisting of 55 articles in 10 chapters, the proposed law covers the rights and obligations of postal agencies and their customers, the duties of the postal organizations and their related departments and the relations between them, and stipulations to be observed by the staff of the postal agencies and the public.

In accordance with China's Constitution, Yang said, the draft law protects the citizens' legitimate right to communicate. The draft law regulates that, unless otherwise stipulated in other laws, no organization or individual may examine or distrain mails. Postal organizations must not reveal information regarding services.

Postal officials who illegally open, hide or destroy mail, or are guilty of graft or embezzlement, or reveal the secrets of the state or customers, and those who cause great loss through dereliction of duty, will be punished according to the law, Yang said.

GEOLOGIST ASSERTS SAFETY OF DAYA BAY SITE

HK271055 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0711 GMT 19 Aug 86

[Text] A Chinese geologist says that the Daya Bay Nuclear Power Plant is being built on a safe granite site. The geological conditions there will not pose potential dangers to the construction of a nuclear power plant.

Not long ago it was being said abroad that the Daya Bay Nuclear Power Plant is situated in a 250-km-wide seismic belt. For this reason, recently Chinese geologists have once again made deliberated on the safety of the site chosen for the plant from a geological point of view.

Hu Haitao, a geologist who participated in the geological prospecting work of choosing the site for the Daya Bay Nuclear Power Plant, stated that the formulation circulating abroad that the Daya Bay Nuclear Power Plant is situated in a relatively mobile seismic belt is a conceptual mistake. The categorization of so-called seismic belts is based on consideration of the symbiotic links [cheng sheng lian xi 2052 3932 5114 4762] between earthquakes and tectonic belts and it indicates the laws governing the distribution of the time, space, and magnitude of an earthquake when it erupts. Of the seismic belts dispersed over the coastal areas of southeast China, each is just 10 to 30 km wide. The Zhenghe-Haifeng seismic belt, where the Daya Bay Nuclear Power Plant is situated, has the lowest earthquake level among its neighboring seismic belts. The biggest recorded earthquake in the belt was only of 5.5 magnitude. Moreover, even in the area of a seismic belt there are also relatively stable "safe islands."

Hu Haitao said: It has been ascertained by using aeromagnetic extension technology and technology for detecting inversion waves of natural earthquakes that there is no deep and large rift passing near the area of the site for the plant. The results of the microseismic detecting network show that slight shocks in the area are rare. With this plus water supply, environmental protection, and other conditions, the site is indeed a rare one for a nuclear power plant.

Eleven geological, seismic, and remote sensing production and scientific research units participated in the prospecting work for the site for a nuclear power plant in Daya Bay and its surroundings. They employed many advanced technologies and the level of their geological studies is unprecedentedly high, said Hu Haitao.

Chinese geologists agree that the seismological and geological conditions of Daya Bay are far superior to those of Taiwan Province, Japan, and the American West Coast. With its scientific and technological level, China can fully guarantee the safety of the Daya Bay Nuclear Power Plant.

NUCLEAR INDUSTRY MINISTER AFFIRMS DAYA BAY PLANS

HK270317 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 86 p 2

[By Albert Chan]

[Text] China's Nuclear Industry Minister, Mr. Jiang Xianxiong, yesterday stressed again his country's determination to go ahead with the Daya Bay nuclear project objections from the public.

Mr. Jiang was apparently referring to a Hong Kong antinuclear lobby group which had just returned from a fact-finding trip to Beijing and figured in a near confrontation with the Chinese authorities.

He repeated Beijing's position on the controversial project to a group of Urban Councillors and District board members who were in the Chinese capital on a nuclear fact-finding trip.

The 11 delegates, calling themselves "Daya Bay -- the Scientific Approach Group," were led by Urban Councillor Mr. Kwan Lim-ho.

They had been labelled in Hong Kong as the "counter-force" to the high-profile anti-nuclear activists led by Mr. Fung Chi-wood and other pressure groups.

When Mr. Fung's group was in Beijing last week, Mr. Jiang did not come out to meet them. Instead, they were briefed by several of his middle-ranking staff.

This was regarded by some observers as a slap in the face. Mr. Jiang's statement yesterday was another indication that objections from Hong Kong and the one million signatures delivered by Mr. Fung were not going to affect the project in any way.

Many consider the project already a fait accompli although the final contracts have not yet been signed.

"The Chinese Government will treat the matter with a scientific and practical attitude. It will not halt the Daya Bay project because of objections from some people." Mr. Jiang was quoted by the CHINA NEWS SERVICE as saying.

Mr. Jiang also revealed to the visiting Hong Kong group that China's other nuclear plant, which is under construction in Qinshan, near Shanghai, will be expanded from the present plan of one 300 megawatt reactor to four more reactors.

"Work on the Qinshan plant started in 1983 and will be completed in 1989 while the Daya Bay plant will not be completed until 1992. The experience gained in Qinshan will therefore benefit the Daya Bay project," said Mr. Jiang.

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The Hong Kong delegates also met Mr Shi Guangchang, a senior official of the National Nuclear Safety Administration, who commented on the controversial Harwell Report on accident assessment which was compiled by experts of the United Kingdom Atomic Energy Authority.

This report was commissioned by the Hong Kong Government to determine the risks that the Daya Bay plant posed to Hong Kong. Its findings had caused concern among top Government officials here.

Mr Shi yesterday said that while China may use such reports as the Harwell as reference, they had no legal status.

"The safety assessment report which is now being prepared is based on international safety regulations with the blessing of the International Atomic Energy Agency. It is therefore the most authoritative," said Mr Shi.

"Reports compiled by other countries do not constitute a legal document."

The Hong Kong Civic Association yesterday called for the joint venture company building the Daya Bay plant to shift the station further away from Hong Kong to allay local people's fears.

At yesterday's meeting, association chairman Mr Hilton Cheong-Leen said the group had decided to send a letter to Chinese Prime Minister Mr Zhao Ziyang asking that the plant be relocated.

He added that although changing the location of the project from Da Keng to a area east of Hu Tou Jiao might not be ideal, it was a proposal worth considering.

PLA AIR FORCE UNITS VIEW SOLDIERS' GAINS, LOSSES

OW280528 Beijing Domestic Service in Mandarin 2130 GMT 25 Aug 86

[Text] PLA Air Force units carried out education in ideals while conducting extensive discussions on the correct attitude towards soldiers' gains and losses, thereby enhancing revolutionary soldiers' sense of honor and responsibility.

In view of the fact that commanders and fighters at basic-level units tend to believe that serving in the Army caused them to suffer disadvantages, the Air Force party committee launched extensive discussions about soldiers' gains and losses. In the course of the discussion the party committee guided cadres and fighters to tackle specific problems under the guidance of Marxist theories and solved problems in their outlooks on life. It also mobilized cadres and fighters to think of martyrs and learn from heroes in order to foster a correct view of gains and losses. Many comrades realized after the discussion that being soldiers and suffering disadvantages is an honor if we bear in mind the purpose of the Army -- to wholeheartedly serve the people -- that the disadvantages are relative if the interests of the party and the people are considered; and that they are temporary if the progress of the motherland's four modernizations are taken into consideration.

Pilots of a certain Air Force regiment of the Shenyang Military Region said: Flying in the sky, we need landmarks on earth as reference points. Mistaking landmarks, we would go astray or be lost. It is the same with one's view of gains and losses. If we make wrong comparisons, we will not reach a correct conclusion.

RENMIN RIBAO ON IDEOLOGICAL CULTURAL QUESTIONS

HK170501 Beijing RENMIN RIBAO in Chinese 11 Aug 86 p 7

[Article by Zhu Houze: "Several Points To Ponder About Ideological and Cultural Questions" -- "Slightly abridged version reproduced from ZHONGGUO WENHUA BAO [CHINESE CULTURAL NEWS], with subheads added by RENMIN RIBAO editor"]

[Text] Cultural Questions Need To Be Pondered

An important theme in our political life in 1986 is how to strengthen the building of spiritual civilization. Cultural work as an important component part of the building of spiritual civilization is a subject of heated discussions in all parts of China, and a "craze for culture" is rising throughout the nation. We may think carefully about the high tide of cultural studies taking place in 1986. Now, some young comrades love to use the word "introspection." We should really introspect seriously the high tide in the cultural field, ponder China's ideological and cultural conditions, and systematically review the course of their development, as well as the overall situation world cultural development and the progress of some important regions, countries, or nationalities in the development of ideology and culture. Then we should make some comparisons which will be advantageous to "the long-term and steady development of cultural work."

Some comrades say, since the 3d Plenary Session of the 11th Central Committee, economic reform has been going on for 7 years, and the stage of laying a foundation for an economic structure with Chinese characteristics is right in the period of the Seventh "5-Year Plan." The reform under way has proposed changes in cultural concepts, and further reform requires us to make a breakthrough in cultural concepts; otherwise, it will be impossible to make further progress. Developments in the economy and technology have raised the question of upgrading our people's cultural qualities. The more so should we upgrade the cultural qualities of the entire nation if we are to further realize our general target and goal for the year 2000. There is some sense in their words.

The year 1986 has witnessed the 30th anniversary of the proposal of the "double-hundred" principle; the 20th anniversary of the publication of the "16 May circular", and the 10th anniversary of the end of the "Cultural Revolution." It seems to be absurd to put these three events together, but that was the reality of life, and we have all gone through them. This has enabled us to see that life is not as straight as Beijing's Changan Street, and tortuous. But this tortuous path has provided us with confidence, knowing that truth will always overcome falsehood and people will eventually emancipate themselves from some kind of blindness; and through practice and introspection, they will become conscious of the truth and come to maturity. Therefore, to my mind, grouping the three "anniversaries" together cannot be too bad. Moreover, as we are facing a situation of opening up to the world in an all-round way, the mutual contacts and exchanges of different cultures involve certain frictions (if the word "conflict" is to be avoided). Therefore, pondering cultural questions in an all-round way is necessary. [paragraph continues]

In the course of such pondering, introspection, and retrospection, can we not sum up some experiences and lessons of how the proletarian party and the people's government have practised ideological and cultural work? It has been close to 7 decades since the October Revolution took place, and 37 years have passed since 1949; actually our party had partial control of political power earlier than that. Therefore, we should look beyond 1949, and ponder a longer period rather than that since 1949. Back in the days of the Red Regime in the revolutionary base areas, our party was involved in the handling of ideological and cultural questions. Our party is rich in the experiences and lessons of practising leadership over ideological and cultural work. According to a report in RENMIN RIBAO OVERSEAS EDITION, Comrade Wang Meng says that, regarding issues in artistic creation, the method of administrative intervention should be generally avoided. This statement of his has summed up our experiences. In the past, the method of administrative intervention was carried out far enough; however, successful experiences of such intervention were few. The Ministry of Culture has expressed its hope for long-term and steady development of cultural work. To achieve this, I think, doing some retrospection, summing up, and studies on the historical experiences and lessons in our ideological and cultural fields and to make an appropriate evaluation of them might be of some help. This is the first point I want to make.

Generosity, Leniency, and Relaxation

The second point is: All trades and professions should develop as well as culture until our society is full of vigor and vitality. But one thing should draw our attention, namely; no conclusion should be drawn in haste regarding different views and opinions, as well as concepts that do not conform to traditional things; at the same time, support should be given to active exploration, opening up, and blazing new trails. If no attention is paid to this issue, ideological and cultural development as well as development in other fields will be unthinkable. A "RENMIN RIBAO" article has touched on generosity, leniency, and relaxation. These three aspects have posed a question, namely, can we adopt a more lenient attitude regarding some ideological concepts alien to our original ones? Can we be a bit more generous regarding those comrades who hold different views? Can we make the whole atmosphere and environment a bit more relaxed and flexible? Anything too hard is liable to break, since it cannot withstand a pounding. However, pounding is to be found everywhere at any time in social life, coming from all directions. A little elasticity and softness will be favorable for development as well as to resist "pounding." Such elasticity and softness will help us in handling ideological and cultural questions as well as economic and political ones, and will be as useful in handling minor issues such as family problems, relations between man and wife, father and son, and mother and daughter as in dealing with matters of great importance of the state and nationality relations. Therefore, on this issue, we can get better.

Survival of the Fittest Should Be Practised, Competition Should Be Permitted, and Emulation Should Be Encouraged

There must be "stars" to play leading roles, and the cream of talent should be given bold support if a society is to be filled with vitality and a trade is to make progress full of life and spirit. Without such stars, it will be very difficult to bring along the rank and file. There was a saying a few years back, which I have all along appreciated, namely "there's no ceiling upward, and no guarantee for a bottom line." It is a great pity that it has never been fully put into practice. [paragraph continues]

In any undertaking, if there is a "ceiling upward", there will be no breakthrough and development, the cream of talent will never be whipped up, and "survival of the fittest" will not be practiced; if "a bottom line is guaranteed," "the inferior will never be replaced by means of selection," and no professions and trades in society will be developed. Following the law of "survival of the fittest," protecting competition, and promoting emulation will give a break to the cream of talent, and help them make a big leap forward, which, I think, is a very important condition for the development of our undertakings. The general mental state at present is a fear of either breakthrough or replacement. And a constant fear is that of the emergence of the cream of talent, such a mental state, is distressing. If no famous stars of the performing arts should emerge, how could a dramatic genre stand on its own feet? If no great scholars should emerge in a branch of science, how could there be some breakthrough in the development of research work? However, for a considerably long period of time, we want to keep the ceiling, while also ensuring the bottom line, and nail down both ends. I am not quite sure whether this mentality has something to do with the doctrine of the mean in our traditional culture; the whole thing is worth our pondering. Concerning ideological and cultural questions, I am all for "no ceiling upward, and no guarantee for a bottom line," and promoting the emergence of the cream of talent. Actors may go to every part of the world to present their performances. Likewise, a conductor may go everywhere, as well as an orchestra, to give performances. Now some of our orchestras play 3 months at home and sit idle for the rest of the year. If they are invited abroad, why should they not go? I am all for opening up a bit more. Besides, we should consciously bring up a large number of scientists, technicians, writers, artists, engineers, designers, professors, scholars and personalities of all descriptions active in the world arena. China's sports have developed quite rapidly in recent years. Does this not have something to do with the principle of "no ceiling upward, no guarantee for a bottom line"? It is necessary to make the cream of all trades and professions and all fields come to the fore. We should not fear talent standing out; the problem today is not their standing out, but their failure to emerge at all.

Survival of the fittest is one side of the problem, and replacement of the inferior is the other. When the inferior are to be replaced, pressure will be felt. We should not let people always lie there comfortably and drift along aimlessly; society will never make progress in this way. We have always held those slow walkers in our arms, lest they should catch cold. The more we do so, the weaker they become. For social stability, some essential guarantees for a living are still necessary. But the fundamental thing is that we must promote social development, survival of the fittest must be followed, competition should be permitted, and emulation should be encouraged. Otherwise, our NPC Standing Committee would not have discussed the enterprise bankruptcy law. If you acknowledge economic competition, you have to permit bankruptcy. Only when the bankruptcy system is stipulated will it be possible to fill the enterprises with vitality. And we should put the enterprise into the markets, both the international and the domestic markets, and let them participate in economic competition and emulation, forcing them to make progress through economic compulsion. This is indispensable. Of course, different tiers and problems are involved in the survival of the fittest. For example, regarding technical knowhow in science and technology, we have adopted the measures of setting up a technology market, with compensated technological transfer. But different measures have been adopted in basic research, where the fund system is implemented; in some important scientific research projects, the method of inviting bidding at home and abroad is adopted. The measures are different; but the general principle is to give them a free hand, and to encourage opening up and blazing new trails.

Regarding the Cultural Issue, It Is Necessary To See Its Stability as Well as Its Change

The third point is the need to appropriately handle the relation between discovering national things and accepting foreign things. Our Chinese nation has its own fine and brilliant ancient culture, and a nihilistic attitude toward our national cultural tradition is wrong. On the other hand, scientific and truth-seeking evaluation should be made of these things: The Hans in particular, who number close to 1 billion. In the course of long-term historical development, the mutual ties, absorption, and reference between the Hans and other nationalities and foreign countries resulted in their own fine cultural heritage. Therefore, in realizing the four modernizations and marching toward the 21st century, the Hans should pay special attention to appropriately and scientifically evaluating their own culture. What we mean here is culture in the broad sense, not literature and art specifically. We should neither adopt a nihilistic attitude, negating everything, nor fail to see the fact that we have lagged behind in the course of historical progress as well as behind the cultural origins of other regions and certain fine things in their development. If we should fail to absorb these things, it would be unfavorable to our modernization. The art of movable type printing has always been our pride, but today we should honestly admit that our printing technique is backward. Here, I should like to say as a joke, we are not bringing "exports into the domestic market." The art of movable type printing spread to Europe several centuries ago, but now the art of electronic printing has spread the other way round. If we should fail to absorb this, but rather, be intoxicated with our pride at the effects of the type-printing art on the renaissance in Europe, and know nothing but how to excavate historical relics for exhibitions, that would not be enough. We should make comparisons on a contemporary basis, and find out in what respects we have lagged behind, and take over advanced foreign things in a hurry. I always think that, regarding cultural questions, we should view the national and regional stability as well as the changes with the times. This issue should not be treated too rigidly, neither should we go to an extreme and get into a dead end. It is wrong to deny that in its long course of historical development, there is some long-standing and relative stability in the culture of each region and nation; but on the other hand, it changes with the times, and each culture itself is developing and changing. Failure to see such changes means not conforming to historical facts. Therefore, in the relations of all nationalities in China, and in our relations with other foreign nations, we should appropriately attach attention to this issue. We should not regard one single model of things as absolute. Our present cultural elements do have factors impeding our progress, and some changes and reforms should be conducted regarding certain cultural concepts. It would be dangerous to fail to see this. Many things in our concepts seem to be the absolute truth, passed down from ancient items, but it does no harm to express our doubts about them, study them in the new conditions, and find out whether they are true.

The Need To Bring Up and Select Managers of Cultural Undertakings

Now we are facing the problem of managing cultural undertakings. Culture is a noble cause. However, culture needs certain material means for its circulation, to be accessible to the masses. Today, some spiritual products are operated in the form of commodity circulation. So we cannot but take management into consideration. At the forum for directors of propaganda departments, Comrade Wang Meng said: The laws with respect to the two sides of cultural undertakings should be respected; on the one hand, the laws governing art should be respected, on the other, culture and art which need some material means to be circulated among the people involve price evaluating and accounting. [paragraph continues]

Therefore, we can put it this way: The cultural system needs to bring up and select a number of managers for cultural undertakings. Otherwise, things will not go well. Poets alone, who have passion and literary grace, may turn out good poems and prose; but without management, we will fail to do a good job in running cultural undertakings. It is said that Shanghai is doing quite well in its publishing undertaking, with no deficits but some accumulation, and profits handed over to the state exceeded 10 million yuan on an annual basis. I said when I was in Wuhan that a piece of fu [descriptive prose interspersed with verse] is needed, namely, "Fu on Commodities," or "In Praise of Merchants" should also be written. Whenever brokers are mentioned, people shake their heads, believing they are good for nothing; but that is not true. Socialist culture and art undertakings need to be developed, and attention should be attached to management. A number of talented people that are good at management are needed. Shall we study how to do a good job in the management of socialist cultural undertakings and the bringing up and selection of qualified people in management?

Dealing With Non-Marxist Academic Results With a Marxist Attitude

Another point I should like to deal with is that the study of theories on culture as well as on literature and art should be stepped up. Meanwhile, comprehensive cultural issues need to be seriously explored. Marxism has made a whole series of studies on cultural questions. There are some basic theoretical questions in this respect, which I think we should study together, including the party's principles and policies regarding ideological and cultural work in history, and the handling of some cultural incidents. We can collect some relevant materials for our studies; this is necessary for doing a better job in leading cultural work. Aside from Marxist basic tenets and our party's historical experiences, should we also come into contact with the theories on cultural work of other nations?

Here I should like to put forward a question to discuss with you. Marxist theories were "minted" with non-Marxist materials. Was this a historical fact? Before Marx and Engels formed their doctrine, Marxism had never existed in this world. According to Lenin, Marxism has three origins, one is German classical philosophy, one is French socialist ideas, and the other is the classical political economics of Great Britain; and none of them is Marxist. When Marx was creating his doctrine, all the materials he collected were non-Marxist. Here a question is posed: Today, things are different from the times of Marx and Engels. We now have Marxism, which Marxist classical writers "minted" from the long-standing ideological and cultural heritage of the whole world as well as from non-Marxist materials; and we already have a well-organized Marxist theory which has its own integral structure. Under such circumstances, how should we deal with the ideological and cultural heritage of mankind? One attitude is: As Marx and Engels did a good job of it for us, all we have to do is to take over the best and outstanding parts of the doctrine. They formed the Marxist system through their scientific "minting" and "tempering," and we might as well continue within this system. This refers to the Marxist system itself. Beyond the Marxist system, the development of philosophy, social sciences, literature and art, as well as natural sciences, technology and science, economics and politics, and changes in social life -- all this has formed into new doctrines, ideas, theories, and concepts of all kinds, which have further stimulated new exploration. Therefore, what attitude should we adopt toward it?

I suggest the comrades in the cultural departments also ponder this question. If we follow the method and example of Marxist classical writers we should not adopt a self-enclosed attitude and rest content with circulating within the existing Marxist framework, but instead carry out Marxist analysis and evaluation of the world's new development over the past century and more and the six decades and more since Lenin passed away by applying the Marxist stand, viewpoint, and method as a weapon to understand the world.

We should closely follow the footsteps of the times and practice, listen to the calls of the realities of life, and be good at absorbing ideological nutrition in new practice in order to ensure that this scientific theoretical system can always maintain its vitality and vigor. We should be good at analyzing even those things permeated with the prejudices of the exploiting classes. We should be good at taking them over for our own purposes if there is something fine in them. In fact, we are now facing this question: What attitude should Marxists adopt to non-Marxist academic results, as well as to the new developments and new problems emerging in the realities of life? This is a topic raised by the times, as well as a basic topic put forward by Marxist theory in the course of its own development.

Everything Should Be Based on Upgrading Cultural Qualities

Comrade Wang Meng mentioned the question of upgrading the contingent of culture and art. Regarding our artists and writers as well as our leading comrades in cultural and artistic work, how can we make them all improve their accomplishments in Marxist basic tenets, while adopting an attitude conforming to Marxism in dealing with those non-Marxist academic and cultural accomplishments? At a meeting in Shanghai, Comrade Xia Yan said: Compared with the older generation (referring to Lu Xun and Guo Moruo), his generation lags far behind in academic accomplishments and knowledge. Comrade Xia Yan was rather modest. I think, judging ourselves by using his words as a criterion, is it not true that our contemporary writers, art performers and theoretical workers are far from good enough in this respect? Now we have many young comrades with outstanding talent; but there is a problem, namely the entire cultural foundation is far from being sufficiently deep and broad. Their development will be restricted when they develop to a certain extent, and will then stay out. Of course, we do not want to exaggerate this foundation and make it sound mysterious, but in the course of development, leading departments of cultural work should help these comrades gradually deepen and broaden their own foundations, including their attainment in theory, culture, and modern scientific knowledge. In the ideological realm, we sometimes speak of changes in ideological concept department from cultural improvement, and the results were not so good. The "Great Cultural Revolution" was an abnormal as well as an extreme phenomenon, which discarded the most basic culture, while people were studying "communism" every day and shouting "slogans" every day. And the results are clear to all. Now we are talking about putting right the party style and social atmosphere, establishing the communist world outlook, and upgrading moral sentiments, but all this should be based on upgrading the cultural qualities of our party members, cadres, and the entire nation. If we fail to proceed from the qualities of the whole of education, science, and culture, but instead pursue changes in ideological concept in isolation, or talk about moral issues in the abstract, I am afraid our problems will not be solved. We do not mean to abolish moral education, but to link it with intellectual education. China's education has a tradition of combining moral and intellectual upbringing into one. Now we should also merge political and ideological education, and education in lofty ideals and morality with cultural education and cultural life. Is it not true that Comrade Xiaoping has, of late, repeatedly said that the question of legal system is fundamentally one of education? Therefore, cultural questions are a major issue. We should broaden our vision, and think further regarding the question of how to upgrade the cultural qualities of the entire nation. Let us start with small culture then spread to overall culture, and again push forward the all-round development of the whole of society, politics, and the economy with the overall culture.

LIAOWANG ENCOURAGES CREATIVE RESEARCH

HK121520 Beijing LIAOWANG in Chinese No 30, 28 Jul 86 p 4

["LIAOWANG Forum" column by Dong Xinming: "Encourage and Support Creative Research in the Theoretical Field"]

[Text] The ongoing all-round reform and the modernization program are great pioneering projects. The new things put into practice require a breakthrough to be made in theories. Regarding the party, as a whole we have achieved remarkable successes in theoretical work since the 3d Plenary Session of the 11th CPC Central Committee. Our party Central Committee in particular has adhered to the ideological line of seeking truth from facts, integrated the universal truth of Marxism with the concrete practice of China's reform and building of socialist modernization, extensively absorbed the research achievements of theoretical workers, promptly proposed many important and new ideas, theses, and conclusions, energetically guided our modernization program and reform, and enriched and developed Marxism.

Viewed from the practical needs and the rich and varied realities of life, our theoretical research work could definitely be considered lacking in adaptability. In order to suit theories to the needs of practice, it is necessary to fully arouse the initiative and creativity of the broad ranks of theoretical workers and further emancipate the "productive forces" in the theoretical field. We now have a large contingent of theoretical workers. In recent years, this contingent has made outstanding achievements in the debate on the criteria for truth, the discussion on production purposes, and the study of socialist commodity economy, spiritual civilization, and democracy and the legal system. On the whole, the quality of this contingent is good and it is a contingent with combat effectiveness. Therefore, the question lies in creating various conditions, removing all obstacles, and giving full play to the combat effectiveness of this contingent rather than reorganizing the ranks of theoretical workers.

What are the obstacles that hamper the development of the productive forces in the theoretical field? The question is related to the problem of work and understanding. Regarding the leading cadres, they should fully understand and trust the theoretical workers.

While talking about the backwardness of our theories 7 years ago, Comrade Deng Xiaoping said: "It should be pointed out that the responsibility for our present state of backwardness lies in the first place with the Central Committee and the party committees at other levels, because they have not used the proper methods in guiding ideological and theoretical work, have set up too many forbidden zones, and have failed to give adequate attention or support to such work." Today, the situation has changed notably. Nevertheless, the problem must be further resolved in our specific work. It should be emphatically pointed out that the understanding and trust of leading cadres are actually immense encouragement and support for theoretical workers. This is the premise for further emancipating the "productive forces" in the theoretical field and for stimulating the initiative of the broad ranks of theoretical workers.

Comrade Deng Xiaoping also pointed out: "In the study and discussion of ideological and theoretical questions, we must resolutely follow the policy of 'letting a hundred flowers blossom and a hundred schools of thought contend.'" The "double hundred policy" has seldom been earnestly implemented since it was raised 30 years ago. [paragraph continues]

The situation took a favorable turn after the CPC Central Committee reiterated the policy following the 3d Plenary Session of the 11th CPC Central Committee. However, there are still many outstanding problems. We should carefully think about the matter and find out why the policy couldn't be implemented properly. Why was the implementation affected? Viewed from the situation in the theoretical field, the following questions come to mind in regard to ideological understanding:

First, we must correctly understand and deal with the defects and mistakes in theoretical research. As theoretical research work, particularly creative theoretical research work, is pioneering and exploratory work, mistakes are unavoidable. It is impossible to make no mistakes and to be absolutely correct at all times. Naturally, the mistakes in theoretical views, particularly those related to real life, may adversely influence the people and play a negative role in society. For this reason, both theoretical workers and leading cadres should adopt a serious and responsible attitude. We must make specific analyses, adopt a realistic attitude toward mistakes, and never deal with mistakes simplistically. We must allow people to make mistakes and also allow them to correct their mistakes. The mistakes made in theoretical research and exploration can only be corrected through further study and exploration. By allowing people to correct their mistakes, we mean to encourage them to further realize the truth and discard the mistakes in explorations.

Apart from correctly dealing with mistakes, it is necessary to correctly solve theoretical disputes. The right or wrong, truth or falsehood in theoretical research cannot be judged within a short period, nor can they be determined by any authoritarian. We can gradually seek unity of thought only through practice and through free discussions and contention among theoretical workers. The correct way is to allow contention and give guidance so that the disputes will be carried out in a healthy atmosphere and along the correct path.

Second, how should we correctly realize party leadership over theoretical work? It is beyond doubt that we should adhere to party leadership in carrying out theoretical work. The issue is for us to have a correct understanding about party leadership. According to the "leftist" point of view, leadership of the party organizations over theoretical work mainly meant elimination of the poisonous weeds. During the period, some people tried by every means to look for problems in the published articles. They prepared materials and launched one criticism after another in an attempt to settle the question of right and wrong in theoretical exploration by means of class struggle. This method of launching ideological struggle must be thoroughly changed.

In another case, some people tried to set the tone for theoretical research on certain complicated topics and called on others to deduce theory from this tone. They deemed it as party leadership over theoretical work. This method, which runs counter to the "double hundred policy" is an oversimplified manifestation of a lack of understanding about the arduousness and complex nature of theoretical exploration. If we continue to work in such a manner, our theoretical circles will only be able to produce empty, rigid, and dogmatic theories rather than create vigorous, scientific theories that can guide our practice.

The "double hundred policy" is the embodiment of socialist democracy in the field of theoretical research. It conforms to the objective laws of theoretical research work and theoretical development. In exercising leadership over theoretical work, our party organizations should unswervingly implement the "double hundred policy," illuminate the course for theoretical workers, set requirements and create conditions for invigorating the ranks of theoretical workers, and bring forth achievements and qualified personnel, rather than act as referees. [paragraph continues]

As a matter of fact, adherence to the "double hundred policy" is energetic support for creative research in the theoretical field. The mentality of worrying whether the implementation of the "double hundred policy" will weaken party leadership should be changed

As far as the theoretical workers are concerned, they should bestir themselves. First, they should get rid of the fearful mentality. Since theoretical research is pioneering work, they should have courage and a dauntless spirit. Second, while conducting theoretical research, they should eliminate the scholarly methods that are divorced from practice and that evade reality. On the premise of adhering to the four basic principles, our theoretical work should cater to the needs of construction and reform and our theoretical workers should make due contributions to the creation of a new history in the great era.

ROLE OF OPEN PRESS IN STRUCTURAL REFORM

HK261115 Guangzhou NANFANG RIBAO in Chinese 19 Aug 86 p 2

[Article by Hu Jiwei: "Political Structural Reform as Seen From a Shekou Press Report on a Critical Article" -- This is a portion of Comrade Hu Jiwei's speech to Hunan provincial press circles last June. The title is given by NANFANG RIBAO editor]

[Text] Economy must be reformed and so must politics. If China's political structure is not reformed according to the requirement of a high degree of democracy, it will not be able to suit the need of China's economic structural reform.

Now, a letter carried in SHEKOU TONGXUN BAO [SHEKOU NEWS REPORT] on 28 February 1985 has been presented with a special-class national award for excellent news reporting. It pointed out that economic reforms call for political reforms, which in turn promote economic reforms. Entitled "A Word of Advice to Comrade Yuan Geng -- It Is Necessary To Lay Stress on Management," the letter was written by Comrade Zhen Mingni and was addressed to the secretary of the Shekou Industrial Zone CPC Committee. It was a critical letter in which a young man made a frank and bold criticism. This reflected the loyalty of our youth to the party and state and the love and respect the young man has for the highest-ranking leading comrade of the Shekou Industrial Zone. In this letter he was not only ready, and had the courage, to criticize the shortcomings and mistakes of the leading comrade but also put forward creative proposals. It was an unusually good letter. What was more valuable was the way the editors of SHEKOU TONGXUN BAO handled the letter.

SHEKOU TONGXUN BAO is the organ of the Shekou Industrial Zone CPC Committee. It is rare in the history of our party newspapers that the secretary of the Shekou Industrial Zone CPC Committee should have supported people who criticized him by name in newspapers. Short, containing only 1,200 characters, the letter is well worth reading. It was really terrific that a young man should have dared to write such a letter, criticizing the first secretary of the CPC Committee, and that the party organ should have dared to carry a letter criticizing the first secretary. After the letter was published, the newspaper office received positive reactions from various quarters. Many people wrote letters to ask how the letter was published. For this reason, SHEKOU TONGXUN BAO carried in its issue No 4 (the letter was carried in issue No 3) an article entitled "The Ins and Outs of the Publication of 'A Word of Advice,'" According to our traditional customs, it is not easy to criticize people by name or to criticize well-known figures at home and abroad. As far as I know, a newspaper at a certain level has never criticized by name the highest-ranking in-service leader at the same level. This was a pioneering undertaking. [paragraph continues]

The article said: In early February, the industrial zone held a symposium on economic strategy. At the meeting, Comrade Yuan Geng told a SHEKOU TONGXUN BAO reporter that he hoped the paper would carry articles criticizing the leading comrades. After the news got around, some youths in the Shekou Industrial Zone pondered the question of how the industrial zone had developed. The editorial department of the newspaper also discussed the possibility of organizing the force of public opinion in the industrial zone to supervise the leaders and to develop the zone more satisfactorily. On 27 February [as published], the Editorial Department received a call from a young man, who said that he wanted to write an article criticizing Yuan Geng and asked if the newspaper dared to publish it. The Editorial Department flatly replied: "If you dare to write it, the Editorial Department will dare to publish it." Sure enough, at Spring Festival a letter entitled "A Word of Advice to Mr Yuan Geng" was sent to the Editorial Department. At a glance, the comrades at the editorial department were sure that Zhen Mingni was only a pseudonym and not a real name. Though the contents were sharply worded, the writer was sincere in his attitude and analyzed problems with good understanding. There upon, on the evening of the second day of the first month, a comrade of the Editorial Department gave Comrade Yuan Geng a call, saying that the manuscript would be published and that it would be sent to him for examination. Comrade Yuan Geng replied: "Do not send it for examination because the Editorial Department has the right to publish it." In spite of this, the Editorial Department did not feel easy. On the following evening, the manuscript was sent to Yuan Geng's house. At 2300, Comrade Yuan Geng called the Editorial Department, saying that the manuscript had been read but the form of address "Mr Yuan Geng" had been changed "Comrade Yuan Geng." The next morning, when a comrade of the Editorial Department fetched the manuscript, Yuan Geng wrote the following words on it: "The contents of this manuscript are well written and basically conform to the facts. It can be published without any alteration. If other people have differing views, they can also speak out."

The publication of this critical article produced great repercussions. Within the leading circles, a deputy general manager said: "Amid the praise there are indeed many problems in our industrial zone. After reading SHEKOU TONGXUN BAO, I instinctively felt a breath of fresh air. Comrade Zhen Mingni suggested that we should study management. It is aimed not only at Comrade Yuan Geng but also at comrades like us at the leading posts. He has raised the question well." A deputy director of the Management Committee of the industrial zone said: "What is the harm in publishing such letters? We had an erroneous idea in the past, as if those who have been criticized in public should step down. As I see it, if there are many criticisms of this sort in Shekou, people will gradually get used to them." The young manager of a telecommunications company said: "'A Word of Advice' has set a precedent. In the future, the images of leaders at all levels, including the managers of various companies, will not always be brilliant. If you have problems, you should let people criticize you." An assistant manager of a real estate company said: "In the industrial zone there are indeed many problems of rushing into mass action and of doing things in a rigid way regardless of the actual conditions. After these are brought to light, the industrial zone will certainly be compelled to improve management." The head of a library said: "'A Word of Advice' has set a precedent in the country's press circles. This shows that in Shekou, in addition to the government and enterprises, a third force has developed -- the popular will. If newspapers provide the people with the chance to air their views, the practice of telling tales or spreading rumors will be reduced significantly and even cease altogether."

The general view of the masses is that "it is necessary to create a society which can fully express the will of the people according to the Constitution." A girl from Nei Monggol working at the Sanyang factory said: "This is the new dawn of democracy, the new hope of Shekou, and a high demand set on the leading bodies."

A shop assistant at the Friendship Store said: "An open zone should not only have an open policy but also take a liberal attitude toward public opinion." A young worker from a yacht plant said: "Reading Zhen's article is like drinking a cup of strong tea, sweet and tasty. It has precisely reflected our thinking." He added: "I hope that, after reading this article, our leaders will feel as if they are drinking a bowl of chili soup, hot but good to the stomach!" A staff member of a telecommunications company said: "I hope that patriots of the Zhen Mingni type, who have both courage and insight, will emerge in great numbers in the special zone. They will boldly and frankly make suggestions to our leaders on how to eliminate defects. And our leaders will also be as broadminded as Comrade Yuan Gent. Listen to both sides and you will be enlightened, heed only one side and you will be benighted. In this way, the special zone will certainly develop more quickly."

This event also produced very strong reactions outside Shekou. When SHEKOU TONGXUN BAO was taken to Guangzhou for printing, Guangdong's Hong Kong and Macao Economic Research Center asked the Editorial Department of SHEKOU TONGXUN BAO to contribute an article. A teacher of the Management Department of Tianjin's Nankai University said: "I instinctively feel there is a democratic atmosphere in Shekou and I perceive it from the way in which you are running the newspaper." The deputy chief editor of SHIJIE JINGJI DAOBAO said: "A newspaper should be run like this." A responsible person of SHENZHEN GONGREN BAO [SHENZHEN WORKERS' DAILY] said: "The writer is bold and Yuan Geng is liberal. This has something to do with the democratic environment in Shekou." After Issue No 3 of SHEKOU TONGXUN BAO carried the letter on its front page on 28 February, YANGCHENG WANBAO and GUANGMING RIBAO immediately reprinted it on the front page. The XINHUA NEWS AGENCY, ZHONGGUO XINWEN SHE, RENMIN RIBAO, and the Central People's Broadcasting Station also released the news simultaneously. After RENMIN RIBAO reported the news, YANGCHENG WANBAO again featured it prominently. Overseas newspapers and magazines, such as Hong Kong's WEN WEI PO, TA KUNG PAO, and HSIN PAO also carried this news. The event, which SHEKOU TONGXUN BAO called the first "shock wave," lasted a month. The second "shock wave" was: After SHEKOU TONGXUN BAO carried a long newsletter, "The Ins and Outs of the Publication of 'A Word of Advice,'" NANFANG RIBAO reprinted it in an abridged form on the front page. Some time later, RENMIN RIBAO prominently featured a signed article commenting on this newsletter. Entitled "The First Spring Thunder in Shekou," this commentary was also reprinted by NANFANG RIBAO. These events lasted for more than 1 month. From February to April, some newspapers and magazines in various localities reprinted the news on "Yuan Geng accepting criticism," quite amply reflecting the close link between China's press circles and the vast number of readers and the strong demand for reforms, liberal policies, and socialist democracy. The story of "Yuan Geng accepting criticism" quickly became a hot topic of conversation. In April, in a letter to the editorial department of SHEKOU TONGXUN BAO, a deputy chief of the Press Research Institute of the Chinese Academy of Social Sciences said: "Although SHEKOU TONGXUN BAO is a tabloid, it has shocked the press circles because it has introduced something representing a development trend of the press." The institute also set up a special "newspaper reports column" in the corridor, pasting on the column all the newspaper cuttings from China and Hong Kong newspapers on the news item. The column was entitled: "Press Reform Is Forging Ahead -- an Example of the Development in Press Criticism: SHEKOU TONGXUN BAO Is Famous at Home and Abroad." An associate professor at the Journalism Department of Shanghai's Fudan University said: "By your action you have set a precedent and broken with the outmoded conventions that newspapers and magazines cannot criticize the responsible persons of the party committee at the same level. You are in the vanguard of the country's press circles." The deputy editor in chief of SHIJIE JINGJI DAOBAO said in his letter: "From your selection of materials and your style we can see that you are striving to open up a brand-new path. SHEKOU TONGXUN BAO is well worth reading and I seem to smell a breath of fresh air." [paragraph continues]

In his letter, Xie Guangbei, a postgraduate student studying for a master's degree at Tianjin's Municipal Engineering Design Institute, said: "After reading SHEKOU TONGXUN BAO, I really discerned, from reading between the lines of the newspaper, an uplifting flavor of youth, a unique sense of freshness in nature after a rainstorm, and a powerful centrifugal force that makes people yearn for Shekou. All this has inspired me with enthusiasm." In June, the Guangzhou modern drama troupe included the story of "Yuan Geng accepting criticism" in its new stage play "Fission." The modern drama is now being performed in Guangzhou.

It was a superb article written admirably by the author and handled skillfully by the editor. Especially admirable was the secretary of the Shekou Industrial Zone CPC Committee. The article caused a sensation at home and abroad and received a positive response. This shows the victory of our policy in the special zones. The Shekou Industrial Zone is a part of the Shenzhen Special Economic Zone. It is an export processing zone exclusively set up and developed by the China Merchant Steam Navigation Company. It is a tiny area which, including hills, covers a dozen or so square kilometers. Uninhabited before, it now has a population of less than 30,000. After the 3d Plenary Session of the 11th CPC Central Committee decided to carry out an open policy and before the Shenzhen Special Economic Zone was set up, Shekou became the first experimental unit for China's open policy and reform. It has attained great successes not only in economic but also in political reforms. In coordination with the economic reforms, it has simultaneously conducted a series of political reforms, which are adapted to, and promote, the development of the economic reforms. In order to genuinely practice a high degree of socialist democracy, with the support of the leading comrades of the CPC Central Committee, Shekou made a bold attempt to build a high degree of socialist democracy. In 1982 it gradually popularized the practice of selecting and promoting cadres through opinion polls. Later, it tried out a democratic system of electing the management committee members by direct secret ballot and a practice of casting confidence votes annually. The management committee often holds press briefings to announce the administrative and economic conditions and measures of enterprises and to encourage all professional and academic mass organizations to discuss the administrative principles and their implementation. As far as our press circles are concerned, what merits our attention is that newspaper manuscripts will not be examined, that the people are encouraged to criticize leading bodies and leaders by name, and that Shekou favors political openness, maintains the people's right to know the real situation, and advocates freedom of speech within the limits prescribed by the Constitution. The fact that SHEKOU TONGXUN BAO was able to publish a letter criticizing the first secretary of the Shekou Industrial Zone CPC Committee is an excellent outcome of the experiments in political reform.

Shekou's political and press reforms merit our close study. There are some fundamental issues we should think out for ourselves. For example, how to correctly handle the relationship between party committees, party newspapers, and the masses of the people is a very important and complicated issue. In solving this important issue, Shekou has taken a very valuable step forward.

From here we can see that the Shekou Industrial Zone CPC Committee and its first secretary have adopted a correct attitude toward the people and the party newspaper: They fully recognize the importance of exercising a high degree of democracy, fully believe in the strength of the masses, go all out to mobilize the masses, and are determined to place the party and the government under the supervision of the people. Comrade Yuan Geng has adopted a clear-cut attitude. He repeatedly stressed: "We just want to create in this place a democratic society in which people can speak out freely. [paragraph continues]"

If not, what is the use of sending more than 1,000 cadres here?" He also said: "A host of facts show that it is often very dangerous to entrust people with important tasks without supervising them. In enforcing supervision, it is crucial for the people to have a high degree of democratic rights." He not only talked about this and wrote this on papers but he also matched words with deeds.

In addition to encouraging the masses of the people to make criticism in newspapers, particularly to criticize leading comrades, Shekou has held democratic elections every other year since 1983. It also takes a confidence vote annually and those who receive a nonconfidence vote of over 50 percent must step down. The fourth vote of confidence was cast on 20 April this year and the polling rate reached 84 percent. All the incumbent members of the industrial zone party committee won the confidence of the people.

The Shekou Industrial Zone CPC Committee has adopted a correct approach toward the party newspaper: It exercises leadership over the party newspaper only in principle and policy and guides the newspaper to work in a creative way. This can be proved from Comrade Yuan Geng's written instruction on the critical letter "A Word of Advice." He also explicitly announced at a cadre meeting: Barring opposing the communist party and launching personal attacks, newspapers in Shekou need not submit for examination articles criticizing the leaders of the industrial zone."

Under the leadership of the Shekou Industrial Zone CPC Committee, the broad masses of the people have also adopted a correct attitude toward the party committee and newspaper. They take good care of the leaders. They also have the courage, and are ready, to criticize the leaders. This shows their sense of responsibility as masters and their readiness to supervise the leaders' work. The people believe that the party newspaper can reflect the views of the people and are willing to urge the newspaper to boldly express those views.

Under the leadership of the Shekou Industrial Zone CPC Committee, SHEKOU TONGXUN BAO has also adopted a correct approach toward the people and the party committee. The party newspaper fully respects the people's democratic rights, fervent love for the state and socialism, and sincere advice. It also fully respects the leadership of the party committee. Yuan Geng instructed: "SHEKOU TONGXUN BAO should carry critical articles, particularly those criticizing the leaders." After the news got around, some youths with courage and insight were eager to have a try. That is why "Zhen Mingni" had the courage to write the letter and to ask the newspaper whether they dared to publish his letter and the newspaper office dared to make a positive reply. In spite of this, the Editorial Department seriously studied the matter. When some readers paid a Lunar New Year call to the newspaper office, the responsible persons of the Editorial Department also took advantage of this opportunity to extensively solicit their opinions on whether or not the letter should be carried in the newspaper. Some were for, some were against, some were worried, and some urged giving up. After conscientiously studying various differing views, the Editorial Department decided to publish the letter. However, they still telephoned Yuan Geng to seek his opinion. Yuan Geng replied: "Do not send it for examination because the Editorial Department has the right to publish it." Despite what he said, they took the manuscript to him and asked him to go over it. This was not a mechanic or passive implementation of the examination system, nor was it an attempt to shirk responsibility. It was an act of voluntarily soliciting opinions. This was also in keeping with Comrade Yuan Geng's written instruction. "This is only a suggestion and not an examination. [paragraph continues]

Nor is it necessary to send manuscripts for examination in the future unless they involve fundamental principles and policies. When you are not quite sure of a certain thing, you will get a more comprehensive idea by soliciting the views of many people than by depending on the views of a few people in the Editorial Department." This shows that the party newspaper has worked prudently and in a principled manner and that it respects the leadership of the party committee.

How to correctly handle the relationship between the party committee, the party newspaper, and the people is a major issue of fundamental importance. It should be continuously studied and tested in order to discover a feasible method conforming to party principle. However, only by having both the spirit of blazing new trails and the practice of reform is it possible to complete this task.

HU YAOBANG CARICATURIST DISCUSSES WORK, REACTION

HK260912 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1044 GMT 25 Aug 86

[Article by Mu Shui: "A Da, the Artist Who Caricatured Hu Yaobang"]

[Text] Hong Kong, 25 Aug (ZHONGGUO TONGXUN SHE) -- China's master cartoonist A Da has recently become a man in the news. The caricature of Hu Yaobang at the "Shanghai Cartoon Contest Exhibition" that created a stir is his work.

Tall, thick-lipped, and talkative A Da, who was interviewed by the writer the other day, excitedly talked about all that preceded the representation of important communist officials in caricature. A Da said: "In August last year, Zhao Chaogou, director of XINMIN WANBAO of Shanghai, wrote two articles under the pen name 'Lin Fang' suggesting that people should be allowed to make caricatures of important figures in China's political circles. Well-known painter Wang Letian also suggested that the representation in caricature of important figures in China's political circles should be somewhere between sketches and cartoons, with exaggeration avoided as the best policy. I am all for their views. China in the past deified leaders. Now deities should be humanized. The No 4 issue of MANHUA SHIJIE [CARICATURE WORLD] published by XINMIN WANBAO in November last year presented on its front cover the cartoon I drew entitled 'Zhao Ziyang Clinking Glasses with the United Nations.' Later, the magazine MINZHU YU FAZHI [DEMOCRACY AND THE LEGAL SYSTEM] arranged for me to run a pictorial with each issue presenting a caricature of an important official in political circles. So far, I have caricatured more than a dozen people, including Deng Xiaoping, Peng Zhen, Deng Yingchao, Lu Dingyi, Yang Shangkun, Chen Pixian, Wang Renzhong, Zhang Youyu, and so forth. At that time, a relaxed social democratic atmosphere was absent. Thus, the publication of the pictorial ran into trouble. But after 10,000 copies of the pictorial with cartoons of important figures in political circles drawn by me were held up by a post office of a certain city in northeast China, the local circulation of that magazine doubled the next month."

"What inspired your caricature of Hu Yaobang?" I asked.

A Da answered: "I remembered that Hu Yaobang had directed everyone in singing the song 'My Heart -- China.' He has a long history of experience with youth work and has the character and disposition of a young man. Stretching out both his arms is a typical act on his part in making reports. Such a gesture or act can give expression to the traits of a figure full of passion, full of vim and vigor, and full of the spirit of optimism."

I am not well acquainted with Hu Yaobang. Now, I have chiefly relied on photographs and screen images in creation. My first presentation was too close to the portrait. Only the final work published has the significance of a caricature."

When asked, "Did you have the approval of top communist echelons in caricaturing important figures in political circles?" A Da said: "No! We have never asked for permission. If we should draw caricatures only with the approval of upper levels, then it is not real democracy. Democratic freedom is not any special favor."

In answering my question, "What reactions did you have after the display of that caricature and the release of news about the matter?" A Da said: "There were both favorable and unfavorable views. After JIEFANG RIBAO reprinted these two caricatures on 15 August, several dozen phone calls were received by the newspaper the same day asking why leaders were uglified. The alert police force of the Xuhui District Public Security Branch also made a phone call saying that they had sent the copy of the newspaper to the central authorities. But those people who voiced support were in the majority. A responsible person of an artists' association, who had specially come from Beijing to Shanghai to view the exhibition, said: This is a breakthrough in the history of caricature in China. Now the first important step has been taken. But the second step -- the portrayal in caricature of leaders' mistakes in work -- will be very difficult and may not be immediately accepted."

A Da's real name is Xu Jingda. He is a native of Jiangsu and is 52 years old this year. He graduated from the animated cartoon class of the Beijing Film College in 1953. He has since worked all along with the Shanghai Artistic Film Studio and has successively participated in the production of more than 40 cartoon films. Among his typical work is "Three Monks." The artistic animated cartoon with pictographs as subject matter he created entitled "Thirty-six Characters" won an educational film prize at the "World Cartoon Film Festival" held in Yugoslavia not long ago, with the participation of more than 400 films.

A Da finally told the writer that his main work is still the production of cartoon films. At present, he is giving a cartoon film the final touches at the invitation of Miss Li Shirong of the Hong Kong Jingding Film Company.

CARICATURE OF LEADERS 'REALLY A STEP FORWARD'

HK280938 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1157 GMT 27 Aug 86

["Short" commentary by Yao Wang: "Reflection on Caricaturing Hu Yaobang"]

[Text] Caricaturing the "features" (no derogatory sense) of state or political leaders with a sense of humor, satire, or even sarcasm is now a common practice in many countries the world over. Of late, China too has begun to do so. In Shanghai, a cartoonist named A Da recently caricatured CPC leaders Deng Xiaoping and Hu Yaobang. When a newspaper ran the drawings on its front page, it immediately became a bestseller, and cartoonist A Da suddenly gained considerable fame in the country.

Over the past few years, China has made tremendous efforts to carry out reform. After a few years of these efforts, the economic restructuring has won initial success and the political restructuring has also been placed on the order of the day.

A very important aspect of the political restructuring is to gain a deeper understanding of democracy and put it into practice.

The Chinese blindly worshipped their monarchs in the past. Such feudal ideology has seriously hindered the process of developing democracy and made the people see their state and political leaders with reverence and awe. Leaders should not be portrayed in writing with reckless and blunt remarks so as not to distort their image, let alone be "uglified" through caricature. In this sense, it is really a step forward that cartoonists are now allowed to caricature leaders.

However, the road is by no means smooth. A small sign can indicate a great trend. On the very day that Shanghai's JIEFANG RIBAO ran the front-page drawing poking fun at Hu Yaobang, the newspaper office got scores of phone calls asking why leaders were defamed. What is more, the security police squad (attention: security police) of the Xuhua District Public Security Bureau of Shanghai immediately sent the newspaper containing the caricature to the party Central Committee. Very fortunate indeed, the present is superior to the past all in all. A Da, creator of the caricature, is so far safe and sound, and he will continue caricaturing state and political leaders.

Besides, one more thing is worth mentioning: In A Da's caricatures, he presents only positive images and eulogizes achievements; he has not gone beyond the usual practice of the Chinese communist newspapers of "reporting only the good news and not the bad." A Da himself has also seen the problem. Quoting remarks of an artist, he said: "The next step, in other words, the portrayal in caricature of leaders' mistakes in work, will be very difficult. People probably cannot accept it for the time being."

In the view of communists, "newspapers are like textbooks that serve to educate the people." However, in the view of Western countries, public opinion should work as a supervisor over those in power. Regarding the two different views on the function of newspapers, which is right and which is wrong? This article does not want to discuss the question. However, the practice of the CPC in the past has proved that trifling illness often becomes severe if it is not carefully attended to. Similarly, if errors are not pointed out in time and salutary advice is not considered, a high price will be paid. It is hoped that caricaturing political leaders in the CPC's newspapers will not be a gust of wind and works just for entertainment.

POLL SHOWS MAJORITY OF PEOPLE FAVOR REFORM

OW271235 Beijing XINHUA in English 1113 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Nearly 93 percent of Chinese people say the ongoing economic reform is "essential" for the country, according to an opinion poll whose details were made public today. The poll, conducted earlier this year by the Beijing-based Institute for Economic Restructuring, found that 64.3 percent of those sampled regarded the reform as "successful." Those surveyed also said their top complaint was the abuse of power for personal gain by government and Communist Party officials. Price increases, which topped the list of complaints in earlier polls, fell to second place.

According to Yang Guanshan, an institute researcher, the high level of discontent with official corruption "shows where further reforms are urgently needed."

In an interview published Saturday in "PEOPLE'S DAILY," Yang said the "most important reform is the modernization of the mind," and economic reform "encourages people to voice their complaints."

But, he told the Communist Party paper, "What can hurt the reform most is the habit some people have of keeping quiet and relying on the government to solve all problems." However, the poll indicated most people are happy with current social welfare programs:

-- 65.6 percent of the young people questioned said they agreed that "the government should take care of everything in people's lives."

-- 84.1 percent of the factory workers agreed that "it's better to let the state cover our pension and medical care than to have to worry about it ourselves."

-- 77.3 percent of the urban residents questioned said in choosing a job, stability is more important than prospects for raises.

Although a majority seem to favor continuation of social policies that benefit them, the poll also found that people are beginning to change their attitudes about the "iron rice bowl" -- China's guarantee of lifelong employment and pension to workers in state agencies and enterprises.

Where in the past the iron rice bowl had overwhelming support, in this year's poll, 51.2 percent of those surveyed said they would trade job security for "freedom to choose a job" -- and 48.2 percent said they would leave the jobs they had if they could.

At the same time, 71.8 percent of all factory workers questioned said they supported laying off workers in cases where more had been hired than were needed to do a job.

Also, 87.1 percent of factory workers said they opposed the traditional Chinese egalitarian concept of "everyone eating from the same pot" and favored the reform's linkage of income to output.

According to Yang, the poll results showed that ideas in China are changing. But, he said, "that doesn't mean that social norms have been modernized."

He said the country needs to make sure "people are educated to live in a competitive commodity economy -- with all of its risks."

The poll sampled 2,518 people in 23 cities throughout the country, said institute officials.

RENMIN RIBAO COMMENTATOR ON ENTERPRISE BANKRUPTCY

OW280953 Beijing XINHUA in English 0931 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- China should go ahead with the experiment of enabling deficit-laden enterprises to go bankrupt before labor security and other laws are officially published, the "PEOPLE'S DAILY" proposed today.

A commentator's article recognized the urgency to institute a labor security system for the unemployed to maintain the stability of social order. Nevertheless, it said, this and other reforms can be completed while the enterprise bankruptcy system is being carried out.

Enterprise bankruptcy is being tested in Shenyang, Wuhan, Chongqing and Taiyuan, which are major industrial centres. The first such case recorded so far is a collectively-owned factory in Shenyang, whose deficits far exceeded the value of its fixed assets.

If no factory is allowed to go bankrupt before other related laws are formulated, "the system being tried out for enterprises to be responsible for their own profits and losses would be empty talk, pure and simple," the article said.

The government usually subsidizes enterprises with deficits to keep them going. This amounts to allowing enterprises to "eat from the common rice bowl" provided by the state or depend on more efficient ones for survival, the article said.

The on-going economic system restructuring aims in part at reducing administrative interferences in production and managerial affairs of enterprises, the article said.

But such interferences would continue without a bankruptcy system, in that officials can continue using administrative measures to force profit-making factories to bear the losses of their deficit-laden counterparts, the article said.

This means that they can continue giving arbitrary and impracticable directions to enterprises, not caring about the consequences, the article continued.

"One objective of the economic system restructuring is to separate government administration from economic management, so that enterprises can become relatively independent commodity producers and business operators," the article emphasized.

Since last year, eleven factories, including the one in Shenyang which has already gone bankrupt, have been warned to improve within one year in order not to go bankrupt.

Five of them have begun making profits, said a news report accompanying the commentator's article.

FOREIGN EXCHANGE CERTIFICATES TO STOP IN OCT

HK280617 Hong Kong WEN WEI PO in Chinese 27 Aug 86 p 2

["Special dispatch from Shanghai": "Issue of Foreign Exchange Certificates To Cease in October"]

[Text] According to authoritative sources here, the issue of foreign exchange certificate will cease on 1 October this year. The certificate will be taken out of circulation by the end of November and will no longer be traded by the end of March 1987.

The authoritative sources also said that the state departments concerned have formulated several regulations on the use of foreign currency in mainland China following the withdrawal from circulation of foreign exchange certificates. Generally speaking, the principle is that China will safeguard the interests of foreign investors and make things convenient for foreign tourists. China is still studying, in detail, the specific implementation procedures in different departments and localities.

Chinese and overseas institutional or individual holders of foreign exchange certificates can exchange a certain amount of certificates into foreign currency, provided that the certificates come from a proper source.

HU QILI PRAISES CHANGES IN GANSU, NINGXIA

OW270901 Beijing XINHUA Domestic Service in Chinese 1439 GMT 26 Aug 86

[Text] Yinchuan, 26 Aug (XINHUA) -- Hu Qili, member of the Political Bureau and member of the Secretariat of the CPC Central Committee, conducted investigation and study in a number of areas of Gansu and Ningxia from 19 to 26 August, and had talks with local cadres and people on how to escape poverty. He said: In the past few years a number of poor areas in northwestern China have made a strategic shift in agricultural development by planting grass and trees. They have already made a breakthrough. The future task will be to make great efforts to develop animal husbandry, transform forest trees and grass into commodities to enable peasants to gain practical benefits from planting grass and trees, and to bring about a new stage in the task of shaking off poverty and getting rich in poor areas.

Comrade Hu Qili inspected Dingxi, Jingning, Xiji, Guyuan, and Tongxin Counties. Wherever he went he had cordial talks with and solicited opinions from cadres and the masses, either in the fields or in the courtyards of peasant homes. In drought-stricken areas north of Dingxi County, he noticed that peasants had grain, grass, and water in store and that their livelihood had generally improved. He said: When the people's livelihood has improved, our comrades working in the party Central Committee feel more at ease. In Xiangquan Township, Dingxi County, Comrade Hu Qili visited several peasant households specializing in planting grass and raising animals. He profusely praised them for adopting the idea of commodity production. He told the township government to publicize these households' advanced experiences and to help more people of the township to embark on commodity production and get rich as soon as possible. On 23 August, Comrade Hu Qili braved rain to make an inspection tour of Xiji County. He seemed pleasantly surprised at the tremendous changes the people in Xiji County had effected. He repeatedly lauded the people of Xiji County for their successful efforts, saying quite sentimentally that he had not been there for 10 years and that tremendous changes had taken place in those 10 years. Now, the poor and backward situation there had started to improve, the majority of peasants no longer had food and clothing problems, and the natural ecological environment had improved. This was the result of the party Central Committee's policy and the united efforts of the cadres and the masses. On 24 August, Comrade Hu Qili inspected a newly-constructed water pumping project, which involved a state investment of 170 million yuan. This project, which pumps water from the Huang He, has already yielded huge economic and social benefits, enabling 110,0900 peasants in the newly irrigated area to get rid of poverty. Many peasants who had moved to this area from dry mountainous areas told him that the party and government had brought in water of happiness for them, enabling them "to settle down in 1 year, get rid of poverty in 2 to 3 years, and become rich in 3 to 5 years."

Upon hearing their remarks, Hu Qili praised the project for its great economic benefits, good political impact, and its capacity to effectively help peasants overcome natural disasters and invigorate the economy, thereby enabling them to enhance their confidence, cherish hopes and increase their enthusiasm to work hard.

In central Gansu, with Dingxi County as a typical representative, and in the neighboring Xiji-Haiyuan-Guyuan area of Ningxia, drought has historically been a persistent scourge and people there have been known for their poverty. Under the leadership of the provincial and prefectural party committees, cadres and the masses of these two areas have followed comrade Hu Yaobang's suggestion to "plant grass and trees, develop animal husbandry, improve the natural environment, and get rid of poverty and become well off." They have made great efforts to plant grass and trees, thereby effecting a strategical shift in agricultural development with gratifying results. Large numbers of barren hills are now covered with vegetation; such activities as weeding grass, digging tree roots, and indiscriminate reclamation and laying waste of hills have basically ceased; the sharp shortages of fuel, feed, and fertilizers have been eased; and most peasants have somewhat solved their food and clothing problems. Comrade Hu Qili, after conducting on-the-spot inspections and listening to briefings, highly appraised the changes experienced there. He said: To change the poor and backward outlook, cadres and the masses of these two areas have in the past made huge efforts and paid a heavy price. However, when they were following the wrong path, the ecological environment was becoming increasingly worse, agricultural production dropped steadily and peasants had a hard time for quite a long period. Since the 3d Plenary Session of the 11th Party Central Committee, in particular since Comrade Hu Yaobang proposed "reversion to a normal course" in 1983 when he inspected northwest China, cadres and the masses have finally found a way to get rid of poverty after summing up historical experience. Practice shows that it has been a correct way. Following the correct way, the masses have developed increasingly greater dynamism and the cadres increasingly greater confidence. Following this correct way, unflinchingly and indomitably, the Dingxi and Xiji-Haiyuan-Guyuan areas will certainly change their poor outlook. He also said: This change demonstrates the people's courage and the level of leadership. Whoever witnesses this change will certainly exult. Situated in the Loess Plateau, the improved ecological environment in these areas has not only benefited their own people but will also greatly contribute to the Chinese nation's prosperity.

In the course of his inspection, Hu Qili minutely familiarized himself with the activities of planting grass, raising livestock, and developing commodity production and issued a long series of instructions on how to consolidate the achievements made and climb another step in economic development in order to quicken the pace of getting rid of poverty and becoming rich.

Hu Qili said: The key to consolidating the achievements made in planting grass and trees is to develop the animal husbandry industry; transform grass and trees into meat, poultry, eggs, milk, hides, wool, and other commodities; and enable the peasants to gain realistic benefits from this transformation. Now that some townships, villages, and households have tasted the sweetness of this transformation, the leaderships at all levels must make the best use of the situation and effectively serve the peasants in order to push grass planting and animal breeding to a new level.

Speaking on developing lateral economic associations, Hu Qili said that it is correct to rely on one's area's strong points.

This front army, led by Ren Bishi and He Long, fought united, opened up and developed base areas, and effectively coordinated with the Central Red Army, thus greatly contributing to the victory of the Long March.

When the old comrades met at the central Advisory Commission conference room in Zhongnanhai, they exchanged greetings with each other and were drawn to each other more closely than ever. Many old comrades, although with gray hair, and ruddy complexions, sat upright, and spoke in sonorous voices; they still kept their heroic, battlefield bearings and lofty sentiments. When Comrade Chen Congying, Comrade Ren Bishi's 84-year-old widow, entered the room, many comrades stepped forward to shake hands with her. Comrade He Biao said to her: "I will never forget how Comrade Bishi educated us at that time. I often think of calling on you." Comrade Chen Congying said: "I also missed you very much."

When the forum started, those attending had a lively discussion, Comrade Wang Zhen said: While marking the 50th anniversary of the victory of the Long March, we dearly cherish the memory of those revolutionary martyrs who heroically laid down their lives during the long March and miss very much the people of the old revolutionary base areas who did everything they could to support the Red Army. We should thank and greet those people. I hope that people in various social echelons will show concern for the growth of martyrs' children.

Comrade Wang Zhen said: The 2d Front Army made glorious history during the Long March. However, not many articles have been written about this history. It is necessary to organize some people to write the Long March history of the 2d Front Army, which should be divided into several periods and written according to what actually occurred in history.

Comrade Xiao Ke said: The Long March was a great event in the history of Chinese revolution. Half a century has passed since that event. It is not easy for those who are still living and in good health to get together here today. We are all over 70 years old and now remain the second line. We should do what we can do in our remaining years.

Comrades Liao Hansheng, Zhang Pinghua, and Yang Xiushan said that the 2d Front Army of the Red Army had many valuable experiences to write about. Comrade Zhang Pinghua told those present that he had written several articles on this subject in recent years. Comrade He Biao told those present that cooperating with someone else, he had finished the first draft of a book in this way. He said: I am not a writer, but I have a good grasp of many historical materials, some of which are unknown to others. I feel I should write according to these historical materials, which will constitute a consolation for thousands upon thousands of martyrs and an encouragement for people in old revolutionary base areas in undertaking the four modernizations.

Comrade Yu Qiuli said: It is greatly significant to document the Red Army's history of heroic fighting. In undertaking the four modernizations today, it is essential to carry forward the Red Army's indomitable spirit of fearing no difficulty or sacrifice. Regarding the 2d Front Army of the Red Army, there are several particular points to write about: correct strategic guidelines, its indomitable fighting will and high morale, creating new things in the course of fighting, and an example of unity. He said: Many old comrades are still living and in good health, and they have much information to share in this regard.

However, we must widen our vision and, bearing in mind the idea of opening to the outside world and stimulating the economy, we must study how to give full play to our local strong points and extensively establish lateral economic associations. We must study what we should do to attract skilled personnel, technology, funds, and facilities from outside our respective areas. Economic development and commodity circulation have their natural and historical law of development as well as a mutual association. It is necessary to promote lateral economic associations and smooth commodity circulation channels by following a natural course and relying on existing economic associations. We must understand market information. Counties must have a special set-up to do this job, rendering good service before and after production.

Hu Qili said: It is imperative to train qualified personnel urgently needed for production development. It is very important to develop education and train personnel needed for local production development; this must be done in various forms and through various channels. Importance must be given to developing secondary vocational and technical education. In developing vocational education and training technical personnel, including such locally needed personnel as veterinarians, financial workers, accountants, statisticians, various service personnel, and management personnel, local practical needs must be taken into consideration. Development of education must be carried out from the basic level up, first by really running middle and primary schools well, striving to have all school-age children in school, and gradually implementing 9-year compulsory education. Primary and secondary vocational and technical schools must be run well to meet future needs in economic development. Comrade Hu Qili highly praised the intellectuals, scientists, and technicians who had been working there for a long period of time. He encouraged intellectuals to link their ideals and book knowledge with reality. He urged local leadership to respect the intellectuals' expertise and knowledge, support their work, help solve their difficulties in daily life and work, and provide good conditions for them to enable them to make still greater contributions to helping people in poverty-stricken areas get rid of poverty and get rich.

While in Gansu and Ningxia, Hu Qili listened to briefings by the Gansu Provincial and Ningxia Autonomous Regional CPC Committees respectively; inspected urban construction in Lanzhou, Yinchuan, and other cities; toured a number of factories and country fair grounds; and visited the Shapotou scientific experimentation base for protection against wind and sand.

Comrade Hu Qili returned to Beijing from Yinchuan by plane on the afternoon of 26 August.

LEADERS ATTEND FORUM MARKING LONG MARCH

OW270447 Beijing XINHUA Domestic Service in Chinese 1311 GMT 25 Aug 86

[By reporter Xu Xinhua]

[Text] Beijing, 25 Aug (XINHUA) -- To mark the 50th anniversary of the victory of the Long March undertaken by the Chinese Workers' and Peasants' Red Army, veteran comrades of the 2d Front Army of the Red Army contently gathered in Beijing this morning to look back on the course of their struggle and to discuss how to write about their front army's history of heroic fighting in order to promote the four modernizations and to let later generations inherit and carry forward the glorious tradition and revolutionary spirit of the Red Army.

The 2d and 6th Army Group of the Red Army were reorganized into the 2d Front Army of the Red Army.

It is necessary to organize people to write this history well.

Old comrades attending the forum also included Kuang Fuzhao, Li Zhen, Jian Xianren, Jian Xianfo, Luo Zhang, Li Donghan, Deng Dongzhe, and Hu Zheng.

TIAN JIYUN OPENS EXPORT PRODUCTS EXHIBITION

OW280438 Beijing XINHUA Domestic Service in Chinese 1042 GMT 27 Aug 86

[By reporters Zhou Yichang and Jiao Ran]

[Excerpts] Beijing, 27 Aug (XINHUA) -- An exhibition of exports by Chinese village and town enterprises opened at the National Agricultural Exhibition Center this morning. Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, and Kang Keqing, vice chairman of the CPPCC National Committee, attended the opening ceremony. Vice Premier Tian Jiyun cut the ribbon opening the exhibition. [passage omitted]

In his inscription for the exhibition Vice President Ulanhu pointed out: "Develop village and town enterprises and invigorate the rural economy." Village and town enterprise have now become the mainstay of our country's rural economy. Village and town enterprises throughout the country employed 70 million people last year, accounting for 19 percent of the total labor force in the countryside, and their total output value is now 272.8 billion yuan, which is equivalent to society's total product in 1968. Now more than 8,000 village and town enterprises turn out products for export, and they earned \$4 billion of foreign exchange for the state last year. [passage omitted]

SAVINGS DEPOSITS UP 12 TIMES OVER 1976 FIGURE

OW170642 Beijing XINHUA in English 0602 GMT 17 Aug 86

[Text] Beijing, August 17 (XINHU) -- Bank savings deposits in both China's urban and rural areas amounted to 192.73 billion yuan by the end of June, 12 times the figure for late 1976, the Overseas edition of PEOPLE'S DAILY reported today.

According to the Industrial and Commercial Bank of China, of the total urban and rural savings deposits, 106.98 billion yuan was from the urban residents.

The paper noted that the rise in the deposits was based on the increased income for the people and their improved standards of living.

Between 1981 and 1985, the annual wage income for urban employees registered a net increase of 414 yuan, and the yearly income for peasants a net increase of 208 yuan. Relevant statistics also show that the country's average consumption standards in 1985 was up by 89 percent on 1976.

RENMIN RIBAO SUPPORTS CORPORATION SYSTEM

HK260803 Beijing RENMIN RIBAO in Chinese 18 Aug 86 p 5

[Article by Tong Dalin: "Shareholding Is a New Basic Point of Socialist Enterprises"]

[Text] People all know that the capitalist corporation economic sector has enabled the productive forces of society to grow quickly. Turning enterprises into corporations is an inevitable consequence of a high degree of development of the productive forces. At the beginning, capitalist industrial enterprises gradually became corporations, and later joint stock corporations gradually became the prevailing form of enterprise in all industrial sectors. Nor can the development of commodity economy be separated from the transformation of enterprises into corporations in a socialist society. The development of corporations meets the essential demand of our commodity economy. Under the conditions of socialist commodity economy, joint-stock companies will become the economic entities with the greatest vitality. This will be a new trend of the current economic structural reform.

Marx's View of Joint Stock Enterprises

Marx once said: "Like cooperative factories, capitalist joint stock enterprises should be regarded as a transitional form for the transformation from the mode of capitalist production to that of combined production." ("Collected Works of Marx and Engels, Vol 25, P 498) Marx also said: "In a joint stock company, the functions of capital have been separated from its ownership and so has labor from ownership over means of production and surplus labor. This is a consequence of the extremely great development of capitalist production and a necessary transition point for capital to be transformed again into the property of producers. However, this property is no longer the separated private property of producers, but is the property of combined producers. On the other hand, it is also a transition point for the transformation of the functions which are even now combined with the ownership over capital in the process of reproduction into the pure functions of combined producers and into social functions." ("Collected Works of Marx and Engels," Vol 25, p 494)

These words of Marx have the following meaning. First, in a joint stock company that has been set up in a capitalist society, labor has been separated from the ownership over surplus labor as well as from that over capital. Second, this joint stock corporation becomes the transition point necessary for the transformation of capital into producers' property, which is the joint property of combined producers. These words contain the meaning that in the socialist period, joint stock companies are the property of combined producers. From our current point of view this transitional point means a new basic point for socialist enterprises.

All his life, Marx was mainly engaged in research work on the capitalist and communist systems and the theory of surplus value. He was also gifted in his views on socialist and communist economic theory. When we carry out research into contemporary socialist economics, we should focus our energy on summing up the experience of our current practice. At the same time, we should continue to carry on and develop the valuable views that Marx put forth. In dealing with the issue of turning socialist enterprises into corporations we should adopt this attitude.

In our economic structural reform at present, some cities have carried out experiments in setting up corporations which seem to yield good results and which are worth noting.

Turning Socialist Enterprises Into Corporations Facilitates a High Degree of Development of Our Socialist Commodity Economy

Separation between ownership and power of management in a joint stock enterprise facilitates the enterprise's exercising full decision-making power. In a capitalist joint stock company the power of management is transferred to the managers who have professional know-how, and who have decision-making power over the operation and development of the company, while the shareholders can only get the payment of the dividend and bonus due to them according to their shareholding and cannot intervene with the company's administrative and managerial activities at will. This characteristic of the joint stock company ensures that the company can independently exercise its rights according to its own will. In other words, the emergence of capitalist joint stock companies has played a tremendously great role in realizing the separation of ownership and power of management and between government administration and enterprise management. The realization of these two aspects of separation has stimulated the capitalist economy to develop on an unprecedented scale and at an unprecedented rate of growth.

Similarly, if our socialist enterprises (including state-owned and combined ones) are turned into joint stock enterprises, this will mean that the state's direct intervention in our enterprises will be restricted. For although the state may be the biggest shareholder, it will not be the only shareholder. As a joint-stock enterprise is an independent economic entity that has the status of a legal person. It is not subordinate to any administrative department and its relations with the governments at various levels are merely the relations of performing its duties according to the law. As a result, it will not submit to any external intervention beyond the scope fixed by the law.

-- As the functions of government are separated from those of the enterprise, the enterprise can go a step further toward establishing a modern enterprise management system in which the power to make policy decisions is separated from the functions of administration and management.

In a joint stock enterprise, there is generally a board of directors. Most of the members of the board are representatives of shareholders and they may not be shareholders themselves. Some economic and technological specialists and some well-known social personages can also be invited to become members of the board. The manager or factory director of the enterprise are employed or appointed by the board of the enterprise. They may or may not be shareholders.

The board is the top management policy decision-making organ of a joint stock enterprise and makes decisions on major issues in the enterprise, such as the appointment and removal of the manager or factory director and the formulation of management and financial plans. The manager or factory director is the person actually in charge of the economic management of the enterprise. He implements all the decisions of the board, arranges and manages the daily production and operation in the enterprise, appoints the management personnel below the level of vice manager, and so on.

-- A joint-stock enterprise is characterized by having all the funds, material resources, technology, and labor invested in it transformed into shareholdings.[paragraph continues]

The principle of "jointly contributing investment and sharing both risk and profit" is always implemented, no matter in what area the enterprise is situated, no matter whether the funds invested are budgetary or extra budgetary funds, and no matter whether the enterprise is owned by the state, owned in a combined manner, or owned by individuals. Therefore, all the laborers and investors who are shareholders will have great concern about, and will make real efforts to affect, the success or failure and profit or loss of the enterprise. This will give great play to their initiative and creativeness.

In a sense, the joint stock enterprise is precisely a form of the "common ownership" that Marxism once put forth.

-- In a socialist joint stock enterprise, there will be a new structure of the principle of "distribution according to labor," which will consist of ordinary graded wages and salaries, dividends and bonuses that are to be paid in the light of the enterprise's profit, and special awards such as invention awards and awards for rationalization proposals. This will closely link laborers material interests and labor efficiency with their position as the major part of the enterprise.

We should stress that the reason a joint stock enterprise has tremendous potential is that the immediate material interests of every laborer in it are closely linked with the enterprise's profit or loss and that the laborer becomes the major part of the enterprise and shares its destiny. This is the source of the vitality of a joint stock enterprise.

-- The corporation system can solve relatively smoothly the problem of socialist enterprises, in particular family enterprises and the small private enterprises managed by individuals, employing too many people. For the introduction of the joint stock enterprise form can guide people in switching from the practice of employing workers to that of attracting people to become shareholders in the enterprises.

-- Turning socialist enterprises into joint stock enterprises facilitates continuing to find and utilize idle funds, improving our accumulation of funds, and enabling our enterprises to better adapt themselves to social demand and market competition. As buying shares is more profitable than depositing money in banks, shares will be attractive and may become a major means for directly utilizing the funds which cannot be utilized by other means. This will play a role in drawing funds widely from society.

-- The joint stock system facilitates the emergence of the socialist market system, in particular the rapid emergence of credit competition and the financial market. These are important conditions for a highly developed commodity economy. If we have a financial market, we will be able to optimize the distribution of funds and thus promote the development of advanced technology and rising industries and eliminate backward industries and enterprises. At the same time, we can purposefully concentrate our scattered financial resources, quicken the realization of specialization in our production and operation, and promote the development of modern large-scale economy.

The corporation system facilitates switching management by actual things to management by value, for it requires turning assets into commodities and currency and the free and quick movement of funds. At the same time the indexes for evaluating the operation of a joint stock enterprise are the price/earnings ratio of its shares and their price in the market and the growth of its capital.[paragraph continues]

This will facilitate switching the whole national economy to the orbit of paying attention to economic results. Only this will enable us to train more quickly a large number of shrewd and competent socialist enterprise managers, economic organizers, and economic leaders.

-- The corporation system facilitates utilizing foreign capital without heavy foreign borrowing. It can also exploit financial resources more widely, including the scattered small amounts of idle funds from among people abroad. The funds that we draw in this manner can be used freely.

-- The corporation system is a link for the development of lateral economic cooperation. It can imbue lateral economic combines with greater vitality and help them lay a sounder foundation.

Problems of Understanding Related To Turning Socialist Enterprises Into Joint Stock Enterprises

People often regard the corporation system as the outcome of capitalist economy and in particular negate dividends and bonuses, regarding them as exploitation of surplus value. Some people even worry that turning socialist enterprises into joint stock ones will give rise to polarization between the rich and the poor and to the emergence of a new stratum of people who live on dividends. To counter these views, we will make some analysis of the nature of dividends and bonuses that are now being paid in the various forms of joint stock enterprises that have been set up in various areas as experiments.

At present, there are roughly four forms of joint stock enterprise.

1. The enterprises that have issued shares to their own staff and workers. The money with which these staff and workers bought the shares was mainly their wage income. In a state-owned enterprise, there is a limit to the amount of shares that the staff and workers can subscribe to and control over the amounts of dividends and bonuses. The minority shareholding of the staff and workers can only strengthen the laborers' position as the masters of the enterprise. It will not change the nature of the state's ownership over the enterprise.

2. The joint-stock enterprises that have been set up by raising funds from the community. This means issuing shares to the public and allowing urban and rural people to subscribe to them. Its nature is roughly the same as the issuing of shares to the staff and workers of the enterprises concerned.

3. The enterprises the shares of which are held by other enterprises. This means in the main the issuance of shares to one another by enterprise that carry out lateral cooperation. The enterprises become one another's shareholders and thus set up a corporation system.

4. Joint stock Chinese-foreign joint ventures. Our country's socialist enterprises issue shares abroad to attract foreign businessmen's investment. The shares held by foreign businessmen are private capital which receives surplus value in proportion to the percentage of shares held. However, there is a great difference between these joint stock enterprises and capitalist ones. As soon as capital is combined with a socialist economy, its nature is changed. For a joint stock Chinese-foreign joint venture should submit itself to the people's state power and be restricted by socialist policies.

It is an effective form for our country to draw in foreign capital.

Here, we must make clear an important issue of understanding. The dividends and bonuses paid by a socialist joint stock enterprise are merely a form of distribution. They are distributed in accordance with shareholdings; therefore, this is not a "distribution according to labor" but a "distribution according to funds." However, we should not regard it as being of a capitalist nature on these grounds. For as a proportion of the shareholders are also socialist enterprises, the "funds according to which distribution is carried out" are funds and not capital. As an important economic factor, funds necessarily have the right to own the newly added value. Therefore, the dividends and bonuses paid to an enterprise still belong to the socialist enterprise that holds the shares and are not of a capitalist economic nature. Another portion of the shareholders is staff and workers. The major source of their living expenses is their labor. Dividends and bonuses are only the remuneration for their provision of funds. This is a material encouragement that society gives them for their contribution to the state's construction. Its nature is similar to that of interest paid on bank deposits. We can regard it as the realization day or tomorrow of the value for the laborers' personal consumption that they created yesterday.

CPC OFFICIALS TRY TO BLOCK ARTISTS' EXHIBITION

HK270653 Hong Kong AFP in English 0646 GMT 27 Aug 86

[By Lawrence MacDonald]

[Text] Beijing, Aug 27 (AFP) -- Communist Party officials have moved to block efforts by a group of non-conformist Chinese artists known as "the Stars" to exhibit their works here, a member of the group said Wednesday.

Wang Keping, a Paris-based sculptor who returned recently to organize the exhibition, said a senior Beijing art official had telephoned leading galleries in the capital and ordered them to reject the show. The Stars first got together in 1979, around the time that the "Beijing Spring" dissident movement began calling for more democracy in China. Several of the founding members now reside abroad.

Mr Wang said the order to block the exhibition ran contrary to the open policy and efforts by China's top leaders to enliven the cultural scene by allowing greater freedom in the arts. The group was preparing to appeal the decision to China's top leaders and was hopeful that it could be reversed, he said.

Li Shuang, a painter and founding Star member who spent two years in "re-education through labour" before being allowed to emigrate and marry her French fiance in 1983, said she was surprised and disappointed that the exhibition had run into trouble. Miss Li added, however, that she had returned to China mostly for a private visit and that even if the Stars were not allowed to exhibit this time she hoped to show her work in China in the future. Mr Wang said he and other Star members were in the office of a leading gallery here when the director received a phone call from the party chief of the Beijing Chapter of the National Artists' Association ordering that the exhibition be rejected.

The association official, Guan Bu, reached by AGENCE FRANCE-PRESSE by telephone on Tuesday, refused to discuss the case and denied any involvement. "I don't know anything about it," he said. Reliable Chinese sources said the gallery soon afterwards received a second call from Mr. Guan, who strongly reprimanded the director for revealing his role in cancelling the show. The gallery director declined to comment on the case but urged the reporter to be careful unless "some of us wind up like Li Shuang," in an apparent reference to her two-year jail sentence. Other members of the group, about ten of whom planned to show their work in the exhibition, could not immediately be reached for comment.

The group's first exhibition, held without official sanction in a park here in 1979, featured work by about 30 on-conformist artists, including abstract painting and sculpture that transgressed all canons of official Chinese art. One sculpture in the show by Mr. Wang portrayed Mao Zedong as a Buddha wearing a red star, with one eye open and the other shut, seemingly checking to see who is paying homage and who is not.

A second show was held in 1980 in the Beijing Palace of Fine Art after a long struggle with red tape. It attracted tens of thousands of enthusiastic visitors. In the past few years abstract art has been grudgingly accepted by official circles and a few "non-official" artists have managed to exhibit their works without interference by the authorities, observers said.

In recent months bounds of artistic expression seemed set to expand even further, with a spate of official speeches and articles urging that "one hundred flowers" be allowed to bloom in all fields of intellectual endeavor.

"Allowing us to exhibit would be good for China. It would show many who doubt the open policy that there really is artistic freedom," Mr. Wang said. "But some people, cultural bureaucrats, are afraid. They were opposed to us in the past and even now they don't want us to be able to show our art," he added.

NATIONAL SEMINAR ON MINORITY-LANGUAGE NEWSPAPERS

SK270549 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 26 Aug 86

[Excerpt] A national seminar to exchange the experiences gained in running minority-language newspapers opened in Hohhot City on the morning of 26 August. The seminar was jointly sponsored by the Propaganda Department under the party Central Committee, the State Nationalities Affairs Commission, and the Chinese Reporters' Association. Attending the seminar were responsible persons from the 47 minority-language newspaper offices of the border provinces and autonomous regions throughout the country and responsible comrades from the central departments concerned.

Also attending the seminar that morning were leading comrades of the regional party committee, the regional people's government, and the regional CPPCC Committee, including Ma Zhenduo, Seyinbayaer, and Wuligeng; and responsible persons from the regional departments concerned. At the seminar, the responsible persons from the Propaganda Department under the party Central Committee, the State Nationalities Affairs Commission, and the Chinese Reporters' Association, including (Wang Furu), Yin Haishan, and (Yang Zicai), delivered speeches.

In his speech, Comrade (Yang Zicai) stated: There are two purposes for convening the seminar. One is to study the issue of how to successfully conduct propaganda reforms among the minority-language newspapers under the new current situation in which both economic and political systems have been transformed and how to successfully carry out self-improvement. The other is to study the issue of how to mutually exchange the experiences gained in running newspapers and to explore some new problems cropping up in the work of running minority-language newspapers under the new situation. Through exchanges and studies, efforts should be made to enable the minority-language newspapers throughout the country to better meet the demands set forth by the policy of opening to the outside world and enlivening the domestic economy and by the policy on reforms under the guidance of the party's line, principles, and policies. Proceeding from the actual situations of various localities, efforts should be made to enable the newspapers to have more characteristics, to be the good mouthpiece of the party, to be good teachers and good friends of the vast number of people, and to better render service to the programs of achieving great unity among various nationalities and building the two civilizations.

At the seminar, Ma Zhenduo, Standing Committee member of the regional party committee and vice chairman of the regional people's government, also delivered a speech. [passage omitted]

In particular, he urged various localities to make all-out efforts to make preparations for the victims to tide them over the winter and to provide for and help themselves by engaging in production. He also urged the departments concerned to concentrate their efforts and to race against time to fill the breached embankment of the Dongliao He as soon as possible and urged leading cadres at all levels throughout Siping City to heighten their confidence, do a good job in conducting ideological and political work among the masses, commend advanced individuals who have scored heroic deeds in combating the flood and rushing to deal with the emergency, and lead the masses to overcome the difficulties by self-reliance in order to rebuild their homes. In the meantime, he urged Jilin Province, Nei Monggol Autonomous Region, and Liaoning Province to do a good job in mapping out plans for successfully taming the Dongliao He by undertaking concerted efforts.

ALL RAILROADS DAMAGED BY FLOODS REOPENED

OW261243 Beijing XINHUA in English 1105 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- All of China's railroads damaged by floods this month have been repaired and reopened, the "PEOPLE'S DAILY" reported today. The paper quoted an official of China's Ministry of Railways as saying floods had interrupted service for a total of 480 hours in northeast, north and southwest China.

LI PENG CALLS FOR REFORM OF COLLEGIATE GAMES

OW072331 Beijing XINHUA Domestic Service in Chinese 1357 GMT 7 Aug 86

[By reporter Liu Daen]

[Text] Dalian, 7 Aug (XINHUA) -- Speaking at a recent enlarged session of the Presidium of the Second National Collegiate Games, Vice Premier Li Peng said that future collegiate games should be reformed.

Li Peng said: The number of competition categories should be gradually increased. To accomplish this, elimination series may be held in various localities before the final games.

He said: Collegiate games are aimed at promoting the all-around development of college students -- morally, intellectually, physically, and artistically, school authorities and party and government leadership at various levels should attach importance to the games.

He said: The standards of our college sports are bound to improve. In foreign countries, outstanding athletes often come from colleges. Physical culture in college should aim at improving the students' culture as well as their sporting performance college should become a reservoir of sports' talent for our country.

CULTURE MINISTER CONCLUDES XIZANG TOUR

HK121250 Lhasa Xizang Regional Service in Mandarin 1130 GMT 10 Aug 86

[Text] After concluding his investigation and tour in the region, Culture Minister and famous writer Wang Meng left Lhasa on 9 August by plane.

Regional leading Comrades Dangzin and Tudao Doje and responsible persons of the regional CPC Committee Propaganda Department, the regional Culture Bureau, the regional Nationality Affairs Committee, and the regional Federation of Literary and Art Circles warmly sent off Comrade Wang Meng.

During their stay in Xizang, Comrade Wang Meng and his entourage attended the Lhasa forum on Tibetan studies, took part in activities of the (Zhi Gong Dang), met cadres above the county level from the region's cultural front, talked with people from Xizang's cultural and art circles on extensive topics, and had a discussion meeting with leading comrades of the regional CPC Committee and government on some relevant problems.

On 8 August, Comrade Wang Meng delivered an important report to cadres from the region's propaganda, cultural, and art fields. After learning about the current cultural work in Xizang, he said that a prosperous situation has appeared in Xizang's cultural work.

Comrade Wang Meng proposed many concrete suggestions on developing cultural work in Xizang.

WAN LI, XINJIANG LEADERS WATCH HORSE RACES

HK120216 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 11 Aug 86

[Summary from poor reception] On 11 August, Wan Li, member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, watched horse races and displays of horsemanship at the third traditional minority-nationality games in Urumqi. Also present were other central and regional leaders including Liu Lantao, Jiang Hua, Yang Jingren, Burhan, Wang Enmao, Song Hanliang, and Tomur Dawamat.

RENMIN RIBAO SUPPORTS SHORT, GOOD DOCUMENTS

HK251020 Beijing RENMIN RIBAO in Chinese 21 Aug 86 p 1

[Report: "Liaoning's Jinzhou City CPC Committee Gets Rid of Long-standing Malpractice of Indiscriminately Issuing Documents, Makes It a Rule That Documents Must Be Brief"]

[Excerpts] According to a report by LIAONING RIBAO, the Jinzhou City CPC committee, starting from promoting the writing of short and good documents, has introduced a reform of paperwork and has thus given an impetus to the efforts to overcome bureaucracy in leading organs, straighten up the ideological line, and improve work style.

It has been a long-standing phenomenon that documents issued by some leading organs are tediously long, filled with empty words and stereotyped sentence patterns. Such a practice will never help the lower levels in their work but will add to their burden. The Jinzhou City CPC committee decided to get rid of this phenomenon, holding that the leading organs' issuing tediously long documents filled with empty words without considering efficiency is an expression of their bureaucratic style. So, the city CPC Committee gave a definition of "short and good documents," stipulating that no document over 1,000 characters long will be issued, no document filled with empty words and stereotyped sentence patterns will be issued, and no document that simply copies other documents or conveys the ideas of others will be issued. All documents that subordinate and lower-level units request a unit in charge to transmit are subject to a strict screening procedure. [passage omitted]

Since the beginning of this year, the Standing Committee of the city CPC Committee has enhanced the study of theories and the party's principles and policies. Members of the Standing Committee have gone down to the grass roots units and immersed themselves among the masses to carry out investigations. In a down-to-earth manner they drafted more than 10 short but good documents, such as "Invigorating Large- and Medium-sized Enterprises," "Speeding Up Development of Town and Township Enterprises," "Carrying Out Rural Reform in Depth," and have thus played a positive role in guiding the work in all fields.

PEASANTS HELP IMPROVE RURAL ROADS, BRIDGES

OW271037 Beijing XINHUA in English 0753 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Chinese peasants in a government public works program built or repaired 1,200 bridges and 32,000 kilometers of highways in rural areas in 1985, the "PEOPLE'S DAILY" reported today.

The government spent more than 1.1 billion yuan (300 million U.S. dollars) on the projects, the paper said. Peasants received grain and cloth worth 680 million yuan (about 180 million U.S. dollars) as partial payment for their labor.

The government decided in 1985 to spend two billion yuan (540 million dollars) -- including some of the funds it would have spent on relief -- to improve roads in the country's poorest areas, the paper said.

Most areas of China are involved, except for the more prosperous southeast and eastern coast, it said. The projects employed workers from the poorest areas, generally also those with the worst transport facilities.

The paper did not say how many people were involved.

The improved roads and bridges have already helped the economy in some parts of the country, the paper said.

In Gongxian County of Sichuan Province, for example, the output value of rural, community-owned enterprises increased 77 percent over the previous year.

XINHUA ON INCREASE IN FOREIGN VISITORS TO PRC

OW251140 Beijing XINHUA in English 0958 GMT 25 Aug 86

[Text] Beijing, August 25 (XINHUA) -- The number of visitors to the Chinese mainland continues to grow, particularly of those from Hong Kong and Macao, according to the State Statistical Bureau today.

The number of visitors during the first seven months of the year increased 23.6 percent over 1985 to 12.94 million people, including 12.06 million from Hong Kong and Macao.

The number of foreign visitors rose by 7.5 percent to 803,000, the bureau said, and the total income from tourism rose 16.4 percent to 780 million U.S. dollars.

Foreign tourism has grown most this year from Great Britain, the Federal Republic of Germany, Indonesia, Thailand and the Soviet Union, which sent more than 12,000 visitors during the period, 20 percent more than in the first seven months of 1985.

Visitors from the United States increased 18.9 percent to 157,000 people, "a much smaller growth than in previous years," according to the official.

Japanese visitors increased only 3.3 percent to 254,000, while the number from Australia, France and the Philippines dropped.

Earlier this year, the State Council, China's highest governing body, approved an ambitious plan to triple the number of foreign visitors to five million by the end of 1990 and further increase it to 10 million by the turn of the century. Plans call for foreign currency earnings from tourism to reach 1.25 billion dollars by 2000.

One promising area is China travel by people 21 to 31 years old. In the first seven months of the year, the number of visitors from that age group rose 52.2 percent to 239,000.

SHANDONG EXPANDS FOREIGN ECONOMIC RELATIONS, TRADE

SK270431 Jinan Shandong Provincial Service in Mandarin 2200 GMT 26 Aug 86

[Text] Shandong Province has increasingly expanded economic relations and trade with foreign countries. At present, it has established economic and trade ties with more than 140 countries and regions. Over the past few years, leading provincial comrades have led delegations to visit Japan, the FRG, Canada, France, and Singapore and other countries. This has effectively promoted friendly exchange and cooperation with foreign countries in economic and trade activities, technology, culture, and education. At present, our province has established friendly relations with 21 cities of 7 countries, including the DPRK, Japan, Australia, the United States, England, and Mexico.

To meet the needs of opening to the outside world, our province has established 12 agencies and economic and trade enterprises in 7 countries and regions including the United States, Japan, the FRG, Spain, Belgium, Hong Kong, and Macao, of which 4 are agencies stationed abroad, 2 are joint ventures, 3 are enterprises with Chinese investment, and 3 are nontrade joint ventures and enterprises with Chinese investment. According to statistics, since 1982, our province has sent more than 2,900 personnel abroad to undertake construction projects and cooperative labor services. In 1935, a total of \$656 million yuan worth of imports and exports were concluded through the imports and exports departments of the province's agencies stationed abroad. Under difficult circumstances, our province's contract project construction groups abroad have persisted in carrying out construction work carefully, and have been praised by the people of various circles in the countries where they are stationed. They have won honor for the motherland and Shandong Province. The residential construction project in Al Jahra, Kuwait, undertaken by the Shandong branch of the Chinese Construction Project General Company, was successively completed and praised by the local administrative department. According to briefings by Kuwaiti officials, this construction company was the first foreign construction unit to be commended by the state housing construction general bureau in the construction history of Kuwait.

Through the efforts of the enterprises stationed abroad, our province has initially opened up a new prospect in the cooperative labor services. The Shandong International Economic and Technological Cooperative Company has cooperated with the provincial Marine Products Bureau to run (Ludao) Development Corporation in Guam with Chinese investment. So far, a marine product breeding farm with an area of (? 4,000 mu) has been established. Since its establishment a year ago, this corporation has created a sales volume of some \$110,000. The Shandong International Economic and Technological Cooperative Company's ocean fishing vessel in Spain has carried out fishing operations in the Atlantic Ocean.

On 26 August, Vice Governor Ma Shizhong gave a speech at the provincial forum on the work of the organs and enterprises stationed abroad and in Hong Kong and Macao, calling on the organs and enterprises stationed abroad to further display their role of being a window for establishing foreign contacts and to unceasingly promote the work of opening to the outside world.

LIANG BUTING SPEAKS TO SHANDONG SUPPLY DIRECTORS

SW260416 Jinan DAZHONG RIBAO in Chinese 8 Aug 86 p 1

[Text] Recently the provincial Supply Bureau held a forum of directors of various city and prefectural supply bureaus in Shidao to sum up and exchange experiences gained in supply work in the first half of this year, and to study and arrange for work tasks in the future.

Liang Buting, secretary of the provincial party committee, attended the forum to receive all comrades participating in the forum, and to encourage the vast number of cadres, workers, and staff members on the supply front to score new achievements.

In his speech Comrade Liang Buting fully affirmed the achievements and experiences in supply work. He said: Such a good situation in the province's economic development is inseparable from the efforts of the comrades on the supply front. This forum discussed how to ensure a proper growth rate in the province's industrial production in the field of supply work. This shows that our supply work can proceed from the overall situation of the provincial economy, and the supply departments are working hard to attain the industrial growth target. This is an important guiding ideology for the supply work. In terms of how to improve and invigorate the supply market, Comrade Liang Buting pointed out: In developing supply work, we should change the outmoded methods adopted under past conditions for the product economy. In addition to improving the allocation and supply of materials and goods covered by plans, we should concentrate great efforts on improving market work. We should strengthen organization and give guidance to the materials markets in order to reduce blindness in the circulation of materials. On how to support the town and township industries with supply work, Comrade Liang Buting demanded that the products turned out by town and township enterprises in line with the mandatory plan should be incorporated into the materials supply plans. In supplying materials, support should be given to brand-name, high-quality, special, and new products, to products which can earn foreign exchange, and to products which are in short supply in the markets.

The comrades participating the forum conscientiously studied and discussed the speech of Comrade Liang Buting, and studied some measures for reforming the materials supply systems and ensuring an appropriate growth rate in the national economy. These measures include the invigoration of supply enterprises, development of lateral circulation channels, improvement of markets for the means of production, and utilization of the reserve wealth of society.

NONGOVERNMENTAL BANKING ENTERPRISE IN SHANGHAI

OW261716 Beijing XINHUA in English 1448 GMT 26 Aug 86

[Text] Shanghai, August 26 (XINHUA) -- Shanghai's first nongovernmental investment and management banking enterprise was set up today. Local officials described it as a milestone in the reform of the banking system of China's leading industrial center.

Founded and funded by the Shanghai Patriotic Construction Company, the Shanghai Aijian Banking, Trust and Investment Company aims at helping vitalize Shanghai's financial business.

Its business scope includes trust investment and loans in renminbi, trust deposits in foreign exchange within and outside China, trust investment in foreign exchange, overseas loans in foreign exchange and leasing.

In addition, the new bank will serve as a guarantor for foreign loans, contracting projects and investment, and as an agency for safeguarding and handling capital and property. It is also authorized to issue bonds and provide economic consultancy services.

SHENZHEN SEIZES COUNTERFEIT HONG KONG NOTES

HK260956 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1350 GMT 25 Aug 86

[Report: "Shenzhen Seizes Over HK\$3 Million in Counterfeit Hong Kong Dollar Notes" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 25 Aug (ZHONGGUO TONGXUN SHE) -- The Shenzhen City Public Security Bureau recently cracked a case of counterfeit Hong Kong dollar notes and seized counterfeit notes worth HK\$3.3 million.

On the afternoon of 30 April this year, an employee of Xinyuan Restaurant, a guesthouse in Shenzhen, found HK\$1 million worth of counterfeit notes when clearing a guest room. The case was reported to the local Public Security Bureau that very night.

Police investigation showed that the occupants of that guest room, Lu Cheng [7120 2052] and Yeh Shu [0673 2885], had checked out on that day and left the guesthouse at noon. Another employee of the guesthouse, called Jiang, who knew them well, was on leave on that day and had gone to his home in Guangzhou. The policemen immediately drove to Guangzhou and learned that a person called Lu had visited Jiang's house on the night of 1 May. At about 1000 on 2 May, when Lu Cheng and Yeh Shu revisited Jiang's house, they were caught by the policemen, who discovered HK\$2.3 million worth of counterfeit notes in Jiang's house.

SHENZHEN PLANS INCREASE IN ELECTRONICS EXPORTS

HK270329 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 86 Business Post p 2

[By Paul Sham]

[Text] The Shenzhen Electronics Group is set to beef up the city's drive to become a major export-oriented and advanced electronics production base in southern China.

According to senior officials of the group, the Shenzhen Electronic Kit and Complete Set Service Centre and the Consultation and Decisionmaking Committee will be set up soon to achieve this.

The centre, covering 5,000 sq ft and manned by 50 people, will initially function as a meeting point between academics, investors and traders, both locals and foreigners, in the electronics field. Its services will be free.

At a later stage, the centre will also provide exhibition space for interested parties to display their products or research items.

The centre will initially be located in the group's office building.

An official of the group said a new building will be built when business at the centre picks up.

The consultation and decisionmaking committee, on the other hand, will act as a think tank for the group.

About 20 electronics experts -- local and overseas -- will be recruited as committee members.

The committee will hold regular meetings, while routine work will be handled by its Development and Strategy Research Office, which will be manned by five to seven people.

Officials said the two organizations will be a shot in the arm for the group, which combines the roles of a research institution, a decisionmaking body and an investment and trading company.

While the centre will facilitate the meeting of relevant academics, investors and traders, the committee will act as an advisory body to oversee the macro development of Shenzhen's electronics industry.

Set up in September with the Ministry of Electronics Industry, Guangdong and Shenzhen authorities as shareholders, the group is responsible for mapping out long-term strategy for Shenzhen's electronics industry.

Foreign investors or trades wishing to set up electronics ventures or do business in Shenzhen will have to liaise with the group.

The group is also responsible for co-ordinating the activities of the scores of electronics factories in the zone to help them upgrade the quality of their products.

The president and managing director of the group, Mr Ma Fuyuan, said in Hong Kong recently that a tentative "Yi Tiao Long (One Dragon)" plan for attracting foreign investment is now underway.

This means linking up the production and sale processes, broken down to different areas according to their individual advantages.

For example, a foreign factory can become a dragon head, which is better suited for undertaking research, design and marketing, while Shenzhen can be the dragon's tail, responsible for production.

GUANGXI RECEIVES STATE COUNCIL DISASTER RELIEF

HK261350 Nanning Guangxi Regional Service in Mandarin 1000 GMT 25 Aug 86

[Text] At the end of July 22 counties and cities of our region were seriously affected by Typhoon No 9, torrential rains, and a high sea tide. According to preliminary statistics, the direct economic losses amounted to 1.12 billion yuan.

After listening to the report on our region's situation, the CPC Central Committee and State Council showed great concern and quickly appropriated disaster relief funds, totaling 395 million yuan, for repairing water conservancy facilities, communications, production, and livelihood. They also provided 5,000 tons of rolled steel, 25,000 tons of cement, 10,000 tons of diesel fuel, 10,000 tons of chemical fertilizers, and a large quantity of gas, kerosene, timber, and asphalt to help these counties and cities restore production and rebuild people's home villages and towns.

In addition, the Ministry of Commerce and Ministry of Light Industry also gave 1.25 million yuan and 480 tons of rolled steel to the grain bureau, supply and marketing cooperative, commerce department, and salt trade company of our region to help the grass-roots units of the disaster areas fight the disasters and provide disaster relief.

GUIZHOU GETS \$30 MILLION IN TRADE FAIR ORDERS

HK270343 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 86 Business Post p 2

[By Olivia Sin]

[Text] China's southwestern province of Guizhou netted more than US\$30 million worth of orders during its 11-day trade fair which ended yesterday in Hong Kong.

Provincial officials said business was better than expected and they saw no problem in fulfilling the province's \$53 million export target this year.

Guizhou's exports in the first five months of this year stood at \$22.5 million and orders from the trade fair alone will bring it close to its goal for the year.

The Guizhou export commodities fair attracted businessmen from more than 1,000 trading firms. Most of the export orders were signed with Hong Kong firms.

Guizhou, a poor and backward province, has set an ambitious goal of doubling its export volume in the next five years to speed up its development.

The director of the province's foreign economic relations and trade department, Mr Wang Peizhi, forecast exports will grow at 15.3 per cent a year to \$110 million by 1990.

Part of Guizhou's rapid growth in exports this year is attributed to China's decentralisation policy.

In the late 1970's, most of the province's exports were handled by other coastal provinces and cities which had more highly developed trading channels.

But under China's economic reforms giving more autonomy to regional authorities, Guizhou has been allowed to export its products directly without going through other cities.

Last year, the province's direct exports reached about \$40 million, representing 60 per cent of its total export volume, with the remaining 40 per cent handled by other provinces.

Mr Wang said the province's direct exports will rise to 80 per cent of the total this year since it has expanded its trading channels.

Apart from staging its first trade fair in the territory, the province also recently opened a trade representative office, Guida Co. in Hong Kong.

A spokesman for the fair said the best-selling items at the fair were minerals and metals such as abrasives, coal, mercury and steel alloy.

It is estimated about 40 per cent of Guizhou's exports comprise minerals and metals, 22 per cent are agricultural byproducts, 15 per cent foodstuffs and oils, and the remainder machinery and light industrial goods.

YUNNAN HOLDS MEETING ON CONTROL OF FILMS, VIDEOTAPES

HK230928 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 21 Aug 86

[Text] To strengthen the control over the showing of videotapes, the Ministry of Radio, Cinema, and Television has decided that in the future, the China Film Distribution and Screening Company will publish and distribute Chinese and foreign films and videotapes in a unified way. Beginning 1 September, without the approval of the Ministry of Radio, Cinema, and Television, no literature and art videotapes are allowed to be sold, rented, or shown in public.

In view of this, the Audio and Videotape Management Department of the provincial Radio and Television Department and Film Distribution and Screening Company held a meeting to specially look into the work of the distribution and control of all films and videotapes throughout the province.

Responsible comrades of the propaganda departments of the provincial CPC Committee, provincial Culture Department, and provincial Radio and Television Department have demanded that all audio and videotape management departments and film distribution and screening departments throughout the province straighten out their guiding work ideology, regard social benefits as the supreme criterion, take the overall situation into consideration, and really do well in distributing and controlling the films and videotapes in coordination with each other.

I. 28 Aug 86

PRC REGIONAL AFFAIRS
NORTHEAST REGION

S 1

RENMIN RIBAO HAILS DALIAN PORT'S EFFICIENCY

OW141216 Beijing XINHUA in English 1146 GMT 14 Aug 86

[Text] Beijing, August 14 (XINHUA) -- The port city of Dailian received front-page prominence in today's PEOPLE'S DAILY for showing the way to improve governmental efficiency.

Quoting city Mayor Wei Fuhai and other city leaders, the paper said that it won't do to wait until the completion of the political system restructuring being discussed nationwide, which aims in part at improving efficieincy.

The city leaders are of the opinion that rendering good service is the best way to improve efficiency, and that provided leaders work accordingly, it will be easy to solve many problems which seemed to be impossible to solve.

The paper cited the example of delayed unloading of incoming foreign ships, a problem now plaguing most of China's ports.

But things are different in Dalian, where unloading of all foreign ships was completed on schedule in the first six months of this year.

The secret, according to the paper, was that the city had a new practice of sending quarantine and customs officers aboard the ships anchored at sea waiting for empty berths.

In the past, only when ships were berthed would they be able to go through quarantine and customs procedure before unloading was done, the paper added.

City leaders call tourism and the port the "wings" of the city's economic take-off. But poor efficiency resulting from red tape had bound the "wings" tight, they are reported to have said.

The solution to the unloading problem resulted from an efficiency drive launched by the city government at the beginning of this year.

One way of boosting efficiency is to call joint work sessions of different offices to examine major issues. This has proved to be effective to avoid the "ball-kicking" practice, which is also common when layers upon layers of bureaucracy are involved. Some 90 knotty problems have been solved at such sessions, the paper said.

A rolled steel mill once submitted a report to a dozen city government offices for permission to institute the piecework system for its furnacemen. The report was passed from one office to another and nothing came of it until it was approved at a joint session of these offices. But, as a result of the new system the mill's labor productivity in June rose 36.8 percent over the average for the first five months and the profits, 40 percent.

The city government has also set up a special office to check how decisions are implemented.

HEILONGJIANG SECRETARY SPEAKS ON LATERAL TIES

SK270742 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 26 Aug 86

[Excerpt] At today's meeting of responsible comrades of the departments and commissions of the State Council who are making a visit to our province to attend the national conference on lateral cooperation, and heads of the delegations from brotherly provinces, municipalities, and autonomous regions. Sun Weiben, secretary of the provincial party committee, said: Comrades of brother provinces, municipalities and autonomous regions are welcome to give full play to their knowledge and skills in Heilongjiang Province, and, particularly, the comrades in Heilongjiang should make efforts in order to turn the province's natural resources into economic resources.

This morning at the (Huayuncun) Guesthouse, leading comrades of the provincial party committee and the provincial government, including Sun Weiben, Hou Jie, Chen Yunlin, Zhu Dianming, Wang Lianzheng, He Shoulun, and Liu Zhongli, held talks with the responsible comrades of the departments and commissions of the State Council who are participating in the national conference on lateral cooperation, and with the heads of the delegations from brotherly provinces, municipalities and autonomous regions.

At the meeting, Sun Weiben introduced the participants to the situation of Heilongjiang Province. He said: Although Heilongjiang Province is comparatively rich in natural resources, it still lags far behind in terms of economic development when compared with its brother provinces. From a historical viewpoint, Heilongjiang is an old are, but it is a new area in terms of carrying out the policy of opening to the outside world and enlivening the domestic economy. Being located in the northern frontier of the country, Heilongjiang has advantageous conditions for developing border trade. However, we are still inferior to our brother provinces in the southern part of the country in terms of opening to the outside. Developing lateral economic cooperation is the only way for enlivening Heilongjiang's economy because the province is backward in this regard.

With regard to further developing the economic cooperation between Heilongjiang and other provinces, municipalities, and autonomous regions, Sun Weiben said: First, we must start from within to completely eliminate the outdated idea of natural economy and to foster a new idea of planned commodity economy to enthusiastically develop lateral economic cooperation. Besides conducting ideological education among the cadres and the masses across the province, at present we must sort out [words indistinct] regulations in the policies formulated in the past. We are going to adopt legal formalities to abolish the regulations unfavorable to the implementation of the policy of opening to the outside world and enlivening the domestic economy and the regulations unfavorable for the brother provinces and municipalities to conduct cooperation with our province, so as to open the gate of Heilongjiang wide to the outside world.

Second, in line with the principle of equality and mutual benefit, we are going to further carry out the policy of giving preferential treatment to those who conduct cooperation with us, ensuring that they have good prospects of gains. Although we advocate commodity economy, we persist on a communist path. We really welcome other provinces and municipalities and the enterprises from other places to economically cooperate with us and [words indistinct].

Third, Heilongjiang Province must do its duty to enhance the organization and coordination of the northeast China cooperation zone.

Fourth, we are going to build Harbin City into an international open city focusing on developing foreign trade [words indistinct]. [passage omitted]

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C H I N A
HONG KONG & MACAO

W 1

HONG KONG

EXPATRIATES ALLOWED TO RUN FOR OFFICE AFTER 1997

HK260443 Hong Kong SOUTH CHINA MORNING POST in English 26 Aug 86 p 2

[By Chris Yeung]

[Text] Expatriates will be able to vote and stand for public office after 1997, providing they have lived in Hong Kong for seven years, members of the Basic Law Drafting Committee decided yesterday.

But expatriates will be barred from holding posts as chief executive or among the upper echelons of the Special Administrative Region administration government.

Co-convenor Mr Louis Cha said members thought the expatriates should be included in the political set-up, as a means of ensuring stability and prosperity for Hong Kong.

But the expatriates will not be qualified to vote in, or to be elected to, the China's National People's Congress if Hong Kong delegates are included after 1997, said Mr China.

The sub-group on inhabitants' rights and obligations earlier agreed in principle during its July meeting in Zhuhai that existing political rights of expatriates should remain the same after 1997.

Confusion has arisen over the definition of the terms "inhabitants, local inhabitants and permanent residents" which are used in current laws and the Joint Declaration in the political rights sections.

The Sino-British pact stated that the future government shall be formed by local inhabitants, but the terms have no legal power under existing laws.

Mainland co-convenor, Mr Xiao Weiyun, said they agreed that there shall be no difference between local inhabitants and permanent residents.

SUB-GROUP MULLS DECISION ON FUTURE CHIEF EXECUTIVE

HK270357 Hong Kong HONGKONG STANDARD in English 27 Aug 86 p 5

[By To Yiu-ming]

[Text] Xiamen: Beijing will have actual rather than ceremonial power in picking the Chief Executive of Hong Kong after 1997, THE STANDARD learned yesterday.

The candidate chosen through either consultation or election process will have to win the approval of Beijing before he or she is appointed.

China could refuse to appoint any person who does not satisfy them, according to the consensus reached yesterday by the Basic Law Drafting Committee sub-group on political system.

Yesterday's conclusion would end whether China should give its consent to whoever is chosen locally as the Chief Executive, which is not specified in the Sino-British Joint Declaration.

It is understood that some Hong Kong members on the Drafting Committee proposed to seek Beijing's opinions on candidates before the selection process in order to avoid any embarrassing situation that Beijing may say no to the candidate.

But the STANDARD learned the proposal has been turned down by a senior official from Beijing's Hong Kong and Macao Affairs Office.

The official was quoted as saying the Central Government would formally make the ruling only after the candidate is chosen in Hong Kong so as to comply with provisions in the Joint Declaration.

According to the Joint Declaration, the Chief Executive would have to be returned by local consultation or election and the result would be submitted to the Central Government for approval and appointment.

During yesterday's meeting, members generally preferred the method of election to consultation in selecting the Chief Executive. But they were divided on how the future Governor is to be elected.

Mr Louis Cha, one of the co-convenor of the subgroup, said the discussion was centered around the concept of an electoral college.

A spectrum of options was debated ranging from a one-man-one-vote system to an elite group to pick the future Governor, he said.

Between two extremes, he said, there were suggestions such as an electoral college to select the candidate who then would have to win the approval of the general public in a referendum.

The subgroup will meet again in early November before submitting their recommendations to the third meeting of the whole Drafting Committee.

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